HOUSE OF REPRESENTATIVES—*Thursday, July 13, 2000*

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. PEASE).

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
July 13, 2000.

I hereby appoint the Honorable EDWARD A. PEASE to act as Speaker pro tempore on this day.

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

PRAYER

The Reverend Father Peter M. Colapietro, Holy Cross Church, New York, New York, offered the following prayer:

Blessed are You, Lord God, Creator of all that was. Through You we live and move and have our being. All that we are and all that we will ever be as a Nation comes from Your goodness.

You have given this body the task of serving this Nation through justice and good law.

Let the light of Your divine wisdom direct the deliberations of all those gathered here and may that same light shine forth in all the proceedings and laws framed for our rule and government.

May they all seek to preserve peace, promote world and national happiness and continue to bring us the blessings of liberty and equality.

We ask for this through Your Holy Name. Amen.

THE JOURNAL

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

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

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California (Mr. FILNER) come forward and lead the House in the Pledge of Allegiance.

Mr. FILNER 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.

FATHER PETER COLAPIETRO

(Mr. SWEENEY asked and was given permission to address the House for 1 minute.)

Mr. SWEENEY. Mr. Speaker, it is indeed a pleasure to welcome Father Peter Colapietro, Pastor of the Holy Cross Church located in New York City's Hell's Kitchen.

Mr. Speaker, Father Peter has participated in a number of capacities, including having been with Holy Cross Church for the past 8 years.

Father Peter Colapietro is a very accomplished man, and I would like to just highlight a few of those accomplishments for Members of the House.

In 1992, he was appointed as member of the Mayor Citizens' Committee for Midtown. He has served in several capacities as chaplain in New York City departments and continues to serve a wide variety of our citizens, including serving as chaplain these days in the Department of Sanitation.

In addition, Father Colapietro was the president of the Washingtonville Neighborhood Association, chairman and cofounder of the Washingtonville Housing Partners, Incorporated, and a board member of both the Narcotics Guidance Council and Larchmont Mamaroneck Student Aid Fund.

Father Peter is a friend, a fellow New Yorker, a priest of the street, a priest of the people and comfortable in any situation, as we can tell today. It has been a pleasure to have him here, and I welcome his participation today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain other 1-minute requests at the conclusion of business today.

GENERAL LEAVE

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and that I may include tabular and extraneous material on H.R. 4811.

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

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2001

The SPEAKER pro tempore. Pursuant to House Resolution 546 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4811.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4811) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2001, and for other purposes, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on the legislative day of Wednesday, July 12, 2000, the amendment by the gentlewoman from Texas (Ms. JACKSON-LEE) had been disposed of, and the bill was open for amendment from page 13, line 10, through page 13, line 15.

Are there further amendments to this portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

TRANSITION INITIATIVES

For necessary expenses for international disaster rehabilitation and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, $40,000,000, to remain available until expended, to support transition to democracy and to long-term development of countries in crisis: *Provided,* That such support may include assistance to develop, strengthen, or preserve democratic institutions and processes, revitalize basic infrastructure, and foster the peaceful resolution of conflict: *Provided further,* That the United States Agency for International Development shall submit a report to the Committees on Appropriations at least 5 days prior to beginning a program of assistance.

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961: *Provided,* That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further,* That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further,* That funds made available under this heading shall remain available until September 30, 2002.

DEVELOPMENT CREDIT PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans and loan guarantees, $1,500,000, as authorized by section 635 of the Foreign Assistance Act of 1961: *Provided*, That such funds shall be made available only for urban and environmental programs: *Provided further*, That for the cost of direct loans and loan guarantees, up to $2,000,000 of funds appropriated by this Act under the heading ''Development Assistance'', may be transferred to and merged with funds appropriated under this heading to be made available for the purposes of part I of the Foreign Assistance Act of 1961: *Provided further*, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That the provisions of section 107A(d) (relating to general provisions applicable to the Development Credit Authority) of the Foreign Assistance Act of 1961, as contained in section 306 of H.R. 1486 as reported by the House Committee on International Relations on May 9, 1997, shall be applicable to direct loans and loan guarantees provided under this heading. In addition, for administrative expenses to carry out credit programs administered by the Agency for International Development, $6,495,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 2002.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the ''Foreign Service Retirement and Disability Fund'', as authorized by the Foreign Service Act of 1980, $44,489,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $509,000,000: *Provided*, That, none of the funds appropriated under this heading may be made available to finance the construction (including architect and engineering services), purchase, or long term lease of offices for use by the Agency for International Development, unless the Administrator has identified such proposed construction (including architect and engineering services), purchase, or long term lease of offices in a report submitted to the Committees on Appropriations at least 15 days prior to the obligation of these funds for such purposes: *Provided further*, That the previous proviso shall not apply where the total cost of construction (including architect and engineering services), purchase, or long term lease of offices does not exceed $1,000,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $27,000,000, to remain available until September 30, 2002, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,208,900,000, to remain available until September 30, 2002: *Provided*, That of the funds appropriated under this heading, not to exceed $840,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within 30 days of the enactment of this Act or by October 31, 2000, whichever is later: *Provided further*, That not to exceed $695,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance shall be provided with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years: *Provided further*, That in exercising the authority to provide cash transfer assistance for Israel, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of nonmilitary exports from the United States to such country and that Israel enters into a side letter agreement at least equivalent to the fiscal year 1999 agreement: *Provided further*, That of the funds appropriated under this heading not less than $12,000,000 should be made available for assistance for Mongolia: *Provided further*, That none of the funds appropriated under this heading shall be obligated for regional or global programs, except as provided through the regular notification procedures of the Committees on Appropriations.

AMENDMENT NO. 39 OFFERED BY MR. FILNER

Mr. FILNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 39 offered by Mr. FILNER:

In title II of the bill under the heading ''OTHER BILATERAL ECONOMIC ASSISTANCE—ECONOMIC SUPPORT FUND'', add at the end before the period the following: '': *Provided further*, That of the funds appropriated under this heading, not less than $3,500,000 shall be made available for programs carried out by the Kurdish Human Rights Watch for the Kurdistan region of Iraq''.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from California (Mr. FILNER) and a Member opposed each will control 5 minutes.

Mr. CALLAHAN. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman reserves a point of order.

The gentleman from California (Mr. FILNER) is recognized for 5 minutes on his amendment.

Mr. FILNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment earmarks crucial funding in this bill for the Kurdish Human Rights Watch, a nonpolitical, nonprofit Kurdish-American service organization. For a decade and a half, this group has been working in Northern Iraq providing critical assistance to victims of torture and ethnic cleansing, rebuilding villages, teaching grassroots democracy building, monitoring human rights, and providing training on civil society.

Here is what the Kurdish Human Rights Watch does everyday. First, through community-based programs, it supports the urgent needs of Anfal victims, the internally displaced refugees and other victims of ethnic cleansing, torture and human rights abuses in Northern Iraq. A special emphasis is placed on helping women cope with grief of family loss and income. Outreach workers help each family conduct an assessment of their family's health and prevention plans. Counseling is provided alongside concentrated extensive case management for problems such as generating income, family reunification, and other survival issues.

Secondly, they assist in the rehabilitation and reconstruction of the destroyed infrastructure by years and years of war. The villagers most affected were women, children, and the elderly. With this aid, new wells will be drilled and pipes for drinking water supplied to the villages. The organization's engineers will help in the reconstruction of roads and houses.

Lastly, the Kurdish Human Rights Watch provides training focusing on coalition building and the importance of human rights, including civil society skills taught in workshops and community building experiences.

Mr. Chairman, this amendment will provide critical funding for an organization that enables individuals, families, and communities to develop healthy lives and to become economically self-sufficient.

With these funds, Kurdish Human Rights Watch will develop the building blocks for a free Iraq, a free Kurdish people and a nation where human rights and freedom are respected and guaranteed to all.

Mr. Chairman, in conclusion, I just want to switch microphones so I can be closer to the gentleman from Alabama (Chairman CALLAHAN). I ask the gentleman from Alabama (Chairman CALLAHAN), I beg the gentleman, I entreat the gentleman not to insist on his point of order. This is a technicality by our rules.

There are lots of precedents for this kind of earmark and amendment in the appropriations bills. I would hope that the suffering, the killing of a people in a very shaky part of the world would be aided by this Congress at this moment, and I ask the gentleman not to insist on his point of order.

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

POINT OF ORDER

Mr. CALLAHAN. Mr. Chairman, I make a point of order against the amendment, because it provides an appropriation for an unauthorized earmark and, therefore, violates clause 2 of rule XXI.

The CHAIRMAN. Does the gentleman from California (Mr. FILNER) wish to be heard on the point of order?

Mr. FILNER. Mr. Chairman, just briefly, again, the gentleman from Alabama (Chairman CALLAHAN) is insisting on a technical rule of the House. The gentleman knows and we all know that these rules are waived in dozens

and dozens, if not hundreds of occasions throughout our appropriations bills. We are trying to help a suffering people here. I would just hope the gentleman would not insist on the point of order.

The CHAIRMAN. Does the gentlewoman from California (Ms. PELOSI) wish to be heard on the point of order?

Ms. PELOSI. Yes, I do, Mr. Chairman.

Mr. Chairman, I say to the distinguished chairman, the gentleman from Alabama (Mr. CALLAHAN), I understand the technicality of the point of order. I just wondered if the gentleman from Alabama (Mr. CALLAHAN) had any objection substantively or if it was just on the point of order.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I say to the gentlewoman from California (Ms. PELOSI), do I have any objection? Do I have any opposition to the substance did the gentlewoman say? No, I do not think so. I think that we cannot respond to everyone's request to violate the rules of the House. There have been ample opportunity for him to appear before our committee and for the committee to make these decisions.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would advise Members that it is inappropriate to yield when addressing the Chair on a point of order.

Does the gentlewoman from California (Ms. PELOSI) wish to be heard further on the point of order?

Ms. PELOSI. Mr. Chairman, I think the gentleman from Alabama (Mr. CALLAHAN) has spoken to that point of order.

The CHAIRMAN. The Chair is prepared to rule. The amendment proposes to earmark and require expenditure of not less than a certain level of funds in the bill. Under clause 2 of rule XXI, such an earmarking and establishment of a spending floor must be specifically authorized by law. The Chair has not been apprised of an authorization in law to support the proposed appropriation; accordingly, the point of order is sustained.

Are there further amendments to this portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

INTERNATIONAL FUND FOR IRELAND

For necessary expenses to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, $25,000,000, which shall be available for the United States contribution to the International Fund for Ireland and shall be made available in accordance with the provisions of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415): *Provided*, That such amount shall be expended at the minimum rate necessary to make timely payment for projects and activities: *Provided further*, That funds made available under this heading shall remain available until September 30, 2002.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $535,000,000, to remain available until September 30, 2002, which shall be available, notwithstanding any other provision of law, for assistance and for related programs for Eastern Europe and the Baltic States: *Provided*, That of the funds appropriated under this heading not less than $5,000,000 should be made available for assistance for the Baltic States: *Provided further*, That funds made available for assistance for Kosovo from funds appropriated under this heading and under the headings ''Economic Support Fund'' and ''International Narcotics Control and Law Enforcement'' shall not exceed 15 percent of the total resources pledged by all donors for calendar year 2001 for assistance for Kosovo as of January 1, 2001, and shall not exceed $150,000,000: *Provided further*, That none of the funds made available under this Act for assistance for Kosovo shall be made available for large scale physical infrastructure reconstruction.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) None of the funds appropriated under this heading may be made available for new housing construction or repair or reconstruction of existing housing in Bosnia and Herzegovina unless directly related to the efforts of United States troops to promote peace in said country.

(e) With regard to funds appropriated under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee.

(f) The provisions of section 532 of this Act shall apply to funds made available under subsection (e) and to funds appropriated under this heading: *Provided*, That notwithstanding this subsection and subsection (e), and notwithstanding section 532 of this Act, local currencies generated by, or converted from, funds appropriated by this Act and by previous appropriations Acts and made available for the economic revitalization program in Bosnia may be used in Eastern Europe and the Baltic States to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989: *Provided further*, That the use of such local currencies shall be subject to the regular notification procedures of the Committees on Appropriations.

(g) The President is authorized to withhold funds appropriated under this heading made available for economic revitalization programs in Bosnia and Herzegovina, if he determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Herzegovina has not complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Herzegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has not been terminated.

ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapters 11 and 12 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the Independent States of the former Soviet Union and for related programs, $740,000,000, to remain available until September 30, 2002: *Provided*, That the provisions of such chapters shall apply to funds appropriated by this paragraph: *Provided further*, That such sums as may be necessary may be transferred to the Export-Import Bank of the United States for the cost of any financing under the Export-Import Bank Act of 1945 for activities for the Independent States: *Provided further*, That of the funds made available for the Southern Caucasus region, 15 percent should be used for confidence-building measures and other activities in furtherance of the peaceful resolution of the regional conflicts, especially those in the vicinity of Abkhazia and Nagorno-Karabagh.

(b) Of the funds appropriated under this heading, not less than 12.5 percent should be made available for assistance for Georgia.

(c) Of the funds appropriated under this heading, not less than 12.5 percent should be made available for assistance for Armenia.

(d) Section 907 of the FREEDOM Support Act shall not apply to—

(1) activities to support democracy or assistance under title V of the FREEDOM Support Act and section 1424 of Public Law 104–201;

(2) any assistance provided by the Trade and Development Agency under section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421);

(3) any activity carried out by a member of the United States and Foreign Commercial Service while acting within his or her official capacity;

(4) any insurance, reinsurance, guarantee, or other assistance provided by the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2191 et seq.);

(5) any financing provided under the Export-Import Bank Act of 1945; or

(6) humanitarian assistance.

(e) Not more than 25 percent of the funds appropriated under this heading may be made available for assistance for any country in the region. Activities authorized under title V (nonproliferation and disarmament programs and activities) of the FREEDOM Support Act shall not be counted against the 25 percent limitation.

(f)(1) Of the funds appropriated under this heading that are allocated for assistance for the Government of the Russian Federation, 50 percent shall be withheld from obligation until the President determines and certifies

in writing to the Committees on Appropriations that the Government of the Russian Federation has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor, related nuclear research facilities or programs, or ballistic missile capability.

(2) Paragraph (1) shall not apply to—

(A) assistance to combat infectious diseases and child survival activities; and

(B) activities authorized under title V (Nonproliferation and Disarmament Programs and Activities) of the FREEDOM Support Act.

(g) None of the funds appropriated under this heading may be made available for assistance for the Government of the Russian Federation until the Secretary of State certifies to the Committees on Appropriations that the Russian Federation is in compliance with article V of the Treaty on Conventional Armed Forces in Europe regarding forces deployed in the flank zone in and around Chechnya.

(h) Of the funds appropriated under this heading, not less than $45,000,000 should be made available, in addition to funds otherwise available for such purposes, for assistance for child survival, environmental health, and to combat infectious diseases, and for related activities.

INDEPENDENT AGENCY

PEACE CORPS

For necessary expenses to carry out the provisions of the Peace Corps Act (75 Stat. 612), $258,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: *Provided*, That none of the funds appropriated under this heading shall be used to pay for abortions: *Provided further*, That funds appropriated under this heading shall remain available until September 30, 2002.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL AND LAW ENFORCEMENT

For necessary expenses to carry out section 481 of the Foreign Assistance Act of 1961, $305,000,000, to remain available until expended: *Provided*, That any funds made available under this heading for anti-crime programs and activities shall be made available subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That during fiscal year 2001, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, contributions to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $645,000,000, to remain available until expended: *Provided*, That not more than $14,852,000 shall be available for administrative expenses.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $12,500,000, to remain available until expended: *Provided*, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Act which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $241,600,000, to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act or the Foreign Assistance Act of 1961 for demining activities, the clearance of unexploded ordnance, and related activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for a United States contribution to the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided*, That the Secretary of State shall inform the Committees on Appropriations at least 20 days prior to the obligation of funds for the Comprehensive Nuclear Test Ban Treaty Preparatory Commission: *Provided further*, That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: *Provided further*, That such funds may also be used for such countries other than the Independent States of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: *Provided further*, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency.

DEPARTMENT OF THE TREASURY

INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

For necessary expenses to carry out the provisions of section 129 of the Foreign Assistance Act of 1961 (relating to international affairs technical assistance activities), $2,000,000, to remain available until expended, which shall be available nowithstanding any other provision of law.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts owed to the United States as a result of concessional loans made to eligible countries, pursuant to parts IV and V of the Foreign Assistance Act of 1961, and of modifying concessional credit agreements with least developed countries, as authorized under section 411 of the Agricultural Trade Development and Assistance Act of 1954, as amended, and concessional loans, guarantees and credit agreements, as authorized under section 572 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 (Public Law 100–461), $82,400,000, to remain available until expended: *Provided*, That of this amount, not less than $13,000,000 shall be made available to carry out the provisions of part V of the Foreign Assistance Act of 1961: *Provided further*, That funds appropriated or otherwise made available under this heading in this Act or under prior appropriations acts for foreign operations, export financing, and related programs may be used by the Secretary of the Treasury to pay to the Heavily Indebted Poor Country (HIPC) Trust Fund administered by the International Bank for Reconstruction and Development amounts for the benefit of countries that are eligible for debt reduction pursuant to title V of H.R. 3425 as enacted into law by section 1000(a)(5) of Public Law 106–113: *Provided further*, That amounts paid to the HIPC Trust Fund may be used only to fund debt reduction under the enhanced HIPC initiative by—

(1) the Inter-American Development Bank;

(2) the African Development Bank; and

(3) the Central American Bank for Economic Integration:

Provided further, That funds may not be paid to the HIPC Trust Fund for the benefit of any country that is credibly reported to be engaged in a consistent pattern of gross violations of internationally recognized human rights or in military or civil conflict that undermines its ability to develop and implement measures to alleviate poverty and to devote adequate human and financial resources to that end: *Provided further*, That 15 days prior to any agreement by the United States to make payments to the HIPC Trust Fund for the benefit of any country other than Bolivia and Mozambique, the Secretary of the Treasury shall submit a reprogramming request under the regular notification procedures of the Committees on Appropriations: *Provided further*, That prior to the payment of any amount to the HIPC Trust Fund to fund debt reduction by an international financial institution, the Secretary of the Treasury shall provide to the Committees on Appropriations, Banking and Financial Services, and International Relations of the House of Representatives, and the Committees on Appropriations, Banking, Housing and Urban Affairs, and Foreign Relations of the Senate—

(1) a written commitment by the institution that it will make no new market-rate loans to the HIPC member country beneficiary for a period of 30 months and no new concessional loans to the HIPC member country for a period of 9 months; and

(2) full documentation of any commitment by the HIPC member country to redirect its domestic budgetary resources from international debt repayments to private or public programs to alleviate poverty and promote economic growth that are additional to

those previously available for such purposes prior to participation in the enhanced HIPC Initiative:

Provided further, That any limitation of subsection (e) of section 411 of the Agricultural Trade Development and Assistance Act of 1954 shall not apply to funds appropriated under this heading: *Provided further*, That the authority provided by section 572 of Public Law 100–461 may be exercised only with respect to countries that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $52,500,000, of which up to $1,000,000 may remain available until expended: *Provided*, That the civilian personnel for whom military education and training may be provided under this heading may include civilians who are not members of a government whose participation would contribute to improved civil-military relations, civilian control of the military, or respect for human rights: *Provided further*, That funds appropriated under this heading for grant financed military education and training for Indonesia and Guatemala may only be available for expanded international military education and training and funds made available for Indonesia may only be provided through the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless the Secretary of Defense certifies that the instruction and training provided by the School of the Americas is fully consistent with training and doctrine, particularly with respect to the observance of human rights, provided by the Department of Defense to United States military students at Department of Defense institutions whose primary purpose is to train United States military personnel: *Provided further*, That the Secretary of Defense shall submit to the Committees on Appropriations, no later than January 15, 2001, a report detailing the training activities of the School of the Americas and a general assessment regarding the performance of its graduates during 1998 and 1999: *Provided further*, That none of the funds appropriated under this heading may be made available to support grant financed military education and training at the School of the Americas unless the Secretary of State, without delegation, certifies that the instruction and training provided by the School of the Americas is consistent with United States foreign policy objectives and helps support the observance of human rights in Latin America.

FOREIGN MILITARY FINANCING PROGRAM

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,510,000,000: *Provided*, That of the funds appropriated under this heading, not to exceed $1,980,000,000 shall be available for grants only for Israel, and not to exceed $1,300,000,000 shall be made available for grants only for Egypt: *Provided further*, That the funds appropriated by this paragraph for Israel shall be disbursed within 30 days of the enactment of this Act or by October 31, 2000, whichever is later: *Provided further*, That it is the sense of Congress that it is very disturbed by reports that Israel is preparing to provide China with an airborne radar system that could threaten both the forces of democratic Taiwan and the United States in the region surrounding the Taiwan Strait. The Congress urges Israel to terminate the existing contract to sell an airborne radar system to the People's Republic of China: *Provided further*, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $520,000,000 should be available for the procurement in Israel of defense articles and defense services, including research and development: *Provided further*, That Foreign Military Financing Program funds estimated to be outlayed for Egypt during fiscal year 2001 shall be disbursed within 30 days of enactment of this Act or by October 31, 2000, whichever is later: *Provided further*, That funds appropriated by this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: *Provided further*, That funds made available under this paragraph shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a).

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: *Provided*, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Sudan and Liberia: *Provided further*, That funds made available under this heading may be used, notwithstanding any other provision of law, for demining, the clearance of unexploded ordnance, and related activities, and may include activities implemented through nongovernmental and international organizations: *Provided further*, That none of the funds appropriated under this heading shall be available for assistance for Guatemala: *Provided further*, That only those countries for which assistance was justified for the ''Foreign Military Sales Financing Program'' in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: *Provided further*, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: *Provided further*, That not more than $30,495,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: *Provided further*, That not more than $340,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 2001 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations: *Provided further*, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $117,900,000: *Provided*, That none of the funds appropriated under this heading shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

GLOBAL ENVIRONMENT FACILITY

For the United States contribution for the Global Environment Facility, $35,800,000, to the International Bank for Reconstruction and Development as trustee for the Global Environment Facility, by the Secretary of the Treasury, to remain available until expended.

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the International Development Association by the Secretary of the Treasury, $576,600,000, to remain available until expended: *Provided:* That the Secretary of the Treasury shall: (1) seek to ensure to the maximum extent possible that for countries eligible for debt reduction under the enhanced Heavily Indebted Poor Country (HIPC) Initiative that have reached the completion point, the terms of new assistance by the International Development Association shall be on grant terms; and (2) submit a report to the Speaker of the House of Representatives, the President of the Senate, and the Committees on Appropriations no later than June 30, 2001, on the progress achieved in achieving the objective in paragraph (1): *Provided further*, That $10,000,000 shall be withheld from obligation until Congress is in receipt of said report: *Provided further*, That in negotiating United States participation in the next replenishment of the International Development Association, the Secretary of the Treasury shall accord high priority to providing the International Development Association with the policy flexibility to provide new grant assistance to countries eligible for debt reduction under the enhanced HIPC Initiative.

CONTRIBUTION TO THE MULTILATERAL INVESTMENT GUARANTEE AGENCY

For payment to the Multilateral Investment Guarantee Agency by the Secretary of the Treasury, $4,900,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

□ 0915

AMENDMENT NO. 19 OFFERED BY MR. ROYCE

Mr. ROYCE. Mr. Chairman, I offer an amendment, and I ask unanimous consent to reach ahead in order to consider this amendment en bloc.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 19 offered by Mr. ROYCE:

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Page 39, strike line 19 and all that follows through line 6 on page 40.

The CHAIRMAN. Is there objection to the request of the gentleman from California to consider the amendment at this point?

Mr. CALLAHAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. ROYCE. Well, let me proceed, Mr. Chairman. This amendment goes to the issue——

The CHAIRMAN. The gentleman will suspend. Does the gentleman from California (Mr. ROYCE) have another amendment to offer to this section of the bill?

Mr. ROYCE. I have the amendment printed in the RECORD.

The CHAIRMAN. An objection was heard to the consideration of this amendment because of the provision that reaches ahead to another portion of the bill.

If the gentleman does not have another amendment to this section of the bill, the Clerk will continue to read.

PARLIAMENTARY INQUIRY

Mr. JACKSON of Illinois. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman from Illinois will state his parliamentary inquiry.

Mr. JACKSON of Illinois. Mr. Chairman, it is my understanding that the amendment of the gentleman from California, which is designated to strike $4.9 million from the Multilateral Investment Guarantee Agency is obviously critical to the next amendment because it stands fundamentally as the offset of the next amendment that I am offering to be considered.

So I am hoping that we are able to determine the status of the Royce amendment because it does have implications for subsequent amendments.

The CHAIRMAN. The amendment that the gentleman from California (Mr. ROYCE) sought to offer required unanimous consent to be offered because it amended more than one paragraph of the bill. An objection was heard to consideration of that amendment, therefore, the amendment en bloc by the gentleman from California (Mr. ROYCE) is not in order in its preprinted form.

Mr. JACKSON of Illinois. Mr. Chairman, my understanding under the unanimous consent request last night is that the gentleman from California (Mr. ROYCE) was entitled, under the agreement, to speak on his amendment for 10 minutes and that this was the appropriate location for that amendment and the discussion this morning.

The CHAIRMAN. The Chair would reply to the gentleman from Illinois that the time agreements agreed to under the order of the House apply only if the amendment is otherwise in order. There were no waivers of other provisions that may apply that prevent an amendment from being in order, and such is the case here with the amendment offered by the gentleman from California (Mr. ROYCE).

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to urge the distinguished gentleman from Alabama (Chairman CALLAHAN) to reconsider his point of order. I know that the amendment of the gentleman from Illinois (Mr. JACKSON) is in the unanimous consent request of last night as is the amendment of the gentleman from California (Mr. ROYCE).

I think that it is not in violation of the spirit of the unanimous consent request as I see it, and if it is in the view of the gentleman from Alabama (Chairman CALLAHAN), I would hope that he would reconsider because we worked very late into the night, as he knows. We are trying to accommodate Members' schedules so that we can leave here today in a timely fashion. I would hope not to cast any doubt on the credibility of the unanimous consent request when the gentleman from California (Mr. ROYCE) and the gentleman from Illinois (Mr. JACKSON) are clearly listed among those amendments that would be in order.

So I, as the ranking member on the committee, would hope that the gentleman from Alabama (Chairman CALLAHAN) would remove his objection to the unanimous consent request that is being posed here.

Perhaps the gentleman from California (Mr. ROYCE) could repeat his request to give the gentleman from Alabama (Chairman CALLAHAN) another chance to have a clearer view of what it is.

Mr. Chairman, I yield to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Chairman, I thank the gentlewoman from California for yielding to me. I appreciate her efforts here.

Again, my request was to reach ahead in order to present my amendment en bloc.

Ms. PELOSI. Mr. Chairman, reclaiming my time, as the gentleman from Alabama (Mr. CALLAHAN) understands, the amendment of the gentleman from Illinois (Mr. JACKSON) is offset from MIGA, which is contingent upon the amendment of the gentleman from California (Mr. ROYCE) being heard.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I am pleased to yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, as the gentlewoman from California knows, we have worked until 2 o'clock this morning, but we have been working for 6 months on this bill. The gentleman from California (Mr. ROYCE), as other Members of Congress, has had ample opportunity to contact us and discuss his needs. We do not think we have heard from him.

If we start giving unanimous consent requests every Johnny-come-lately amendment that violates the rules we have adopted, we will be here forever. So I am trying to expedite the proceedings here in the House.

I still object.

Ms. PELOSI. Mr. Chairman, reclaiming my time, is it the understanding of the gentleman from Alabama that the amendment is printed in the RECORD and is in the unanimous consent, but, just for point of clarification, would the gentleman from Illinois (Mr. JACKSON) be able to propose his amendment regarding the African Development Bank with the offset from MIGA?

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Alabama.

Mr. CALLAHAN. No, Mr. Chairman, he would not, because his amendment is really an amendment to the amendment of the gentleman from California (Mr. ROYCE). The gentleman from California (Mr. ROYCE) is taking about $5 million out of the bill. The gentleman from Illinois (Mr. JACKSON) is putting it back in. So, no, his amendment, I do not think, would be appropriate because there was no removal of the money he seeks to get.

Ms. PELOSI. But nonetheless, Mr. Chairman, when we have had offsets, they have been self-contained in one amendment; that is to say, if the gentleman from Illinois (Mr. JACKSON) wanted to increase the funding at the African Development Bank as he does, and he has an offset at MIGA.

Mr. CALLAHAN. Mr. Chairman, if the gentlewoman will further yield, I think he has already tried. But, yes, I think the gentleman from Illinois (Mr. JACKSON), if his amendment is in order, then we will debate his amendment. But, no, amendments that are not made in order and require unanimous consent today I do not think, out of deference to our colleagues who we promised we would expeditiously get through this thing out of deference to the gentlewoman and those of us who stayed here last night and worked until 2 o'clock to try to accomplish this, if we start having unanimous consent requests, it is going to delay the process until Saturday. So I am going to object.

The CHAIRMAN. If there are no further amendments to this section of the bill, the Clerk will continue to read.

The Clerk will read.

The Clerk read as follows:

LIMITATION ON CALLABLE CAPITAL

The United States Governor of the Multilateral Investment Guarantee Agency may subscribe without fiscal year limitation for the callable capital portion of the United

States share of such capital stock in an amount not to exceed $24,500,000.

CONTRIBUTION TO THE INTER-AMERICAN INVESTMENT CORPORATION

For payment to the Inter-American Investment Corporation, by the Secretary of the Treasury, $8,000,000, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the fund, $10,000,000, to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended, $72,000,000, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury, $3,100,000, for the United States paid-in share of the increase in capital stock, to remain available until expended.

AMENDMENT NO. 43 OFFERED BY MR. JACKSON OF ILLINOIS

Mr. JACKSON of Illinois. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 43 offered by Mr. JACKSON of Illinois:

Under the heading ''CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK,'' on page 41, line 3, strike ''$3,100,000'' and insert ''$6,100,000''.

On page 41, line 11, strike ''$49,574,000'' and insert ''$95,983,000''.

Mr. CALLAHAN. Mr. Chairman, I reserve a point of order on the amendment of the gentleman from Illinois.

The CHAIRMAN. The gentleman from Alabama (Mr. CALLAHAN) reserves a point of order on the amendment.

Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from Illinois (Mr. JACKSON) and a Member opposed each will control 5 minutes on the amendment.

The Chair recognizes the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment is very simple. My amendment increases funding for the African Development Bank by $3 million to a total of $6.1 million, the original request by the administration and the amount approved by the Senate.

I am not completely sure about the reasons that the House continues to short fund the African Development Bank, but let me tell my colleagues why I think the House should support my amendment.

Five years ago, the African Development Bank was in serious trouble. Management was in disarray, and they had exhibited poor financials. What a difference 5 years has made, however. Since then, the United States has led top-to-bottom reform with new management, a total rewrite of the Charter, scrubbed balance sheets and restructuring of capital and voting shares. Steady and determined United States engagement in the institution, including erasing our arrears, has gained us the leading voice in the leading African Development Institution.

In recent years, the primary United States objective with the African Development Bank has been to support and promote fundamental management and operational reforms. Specific reforms achieved include a complete reorganization with significant staff cuts, including the replacement of 70 percent of its managers. Senior officials, including board members, are now subject to term limits, and the private sector development unit has been upgraded. Independent units for Risk Management, Financial Control, Procurement, and Environment were created and staffed while major progress has been made and achieved in reforming the bank's procurement system.

The proportion of total arrears to outstanding loans has been significantly reduced through a stronger arrears clearance policy, and a disbursement of new bank resources to the African Development Bank is tied to reform implementation. On top of all of this, an information disclosure policy that was developed in partnership with the NGOs is now in place. What a change in just 5 years.

To ensure local interest as well as our own national interest, new protective procedures are in place. There is now increased nonregional ownership of the bank to 40 percent, with new voting rules requiring a 70 percent supermajority on major issues. These changes guarantee that key actions can be blocked and no substantive decision can be taken without substantial nonregional support.

Financial rating. These changes have resonated throughout the financing and bond rating community. All recent evaluations of the AfDB by private rating agencies, Moody's, Standard & Poors, Fitch/IBCA, acknowledge that the institution has been through an in-depth reform following the management shuffle implemented by President Kabbaj in 1995. President Kabbaj has implemented major reforms affecting nearly all areas of the bank: credit policy, asset-liability management, development of lending activities.

As a result of these reforms, the credit rating agencies have raised the AfDB's rating for its highly rated nonregional shareholders.

To quote the Fitch/IBCA rating agency, ''These reforms help restore the confidence of the shareholders, notably in non-African countries which . . . now attach increasing importance to the Bank's capacity to remain economically viable.''

Another quote states, ''Moody's rates the long-term debt of African Development Bank AAA . . . At these levels, the AfDB is rated at the top of Moody's rating scale. . . .''

The United States has a major stake in the successful development in Africa and is now engaged more intensively than ever. The African Development Bank, through hard loan operations and concessional financing, is uniquely positioned to help advance our interests and economic development in the region. United States investment in the Bank produces significant leverage: historically for every one United States dollar paid in capital, the bank has loaned about $120. What an amazing return.

Steady and determined United States engagement in this institution, Mr. Chairman, including erasing our arrears, has gained us the leading voice in leading the African development institution. In light of solid progress on this wide-ranging reform agenda, the United States has agreed to participate in the 8-year, $41 million, 5th General Capital Increase for the Bank authorized by Congress in fiscal year 2000.

We have seen that active United States engagement has produced sweeping reforms in Bank operations to strengthen its balance sheet, internal governance, and effectiveness. At a time when an effective United States role in Africa has never been more important, our support of the African Development Bank is a modest, but essential, investment in our future. We need to deliver upon our commitments.

Mr. CALLAHAN. Mr. Chairman, continuing to reserve my point of order, I just would remind the gentleman from Illinois (Mr. JACKSON) that, at his request, if he will recall, there was zero in the bill for the African Development Bank, and out of deference to the gentleman from Illinois, because he is a distinguished member of our subcommittee, I think we have been most generous. As I have expressed to the gentleman from Illinois, the bill now includes the $3.1 million, which made a significant step toward protecting the African Development Bank. But that is as much as we can do.

□ 0930

In any event, we have already spent all of the money that has been allocated. There is no more money available. So the gentleman's amendment would be out of order.

POINT OF ORDER

Mr. CALLAHAN. Mr. Chairman, I make a point of order against the amendment because it is in violation of section 302(f) of the Congressional Budget Act of 1974. The Committee on

Appropriations filed a suballocation of budget totals for fiscal year 2001 on July 12, 2000, House Report 106–729. This amendment would provide new budget authority in excess of the subcommittee allocation made under section 302(b) and is not permitted under section 302(b) of the act.

The CHAIRMAN. Does the gentleman from Illinois (Mr. JACKSON) wish to be heard on the point of order?

Mr. JACKSON of Illinois. I would, Mr. Chairman.

I had hoped, Mr. Chairman, that the gentleman would not object to the gentleman from California's unanimous consent request, because that unanimous consent request would have provided the necessary offset for my amendment that would have made my amendment in compliance with the gentleman's stated prior reasons for his objections.

Because the gentleman has objected, I have no choice but to concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order.

The amendment offered by the gentleman from Illinois (Mr. JACKSON) would increase the level of new discretionary budget authority in the bill, in breach of the applicable allocation of such authority, as estimated by the Committee on the Budget pursuant to section 312 of the Budget Act and, as such, the amendment violates section 302(f) of the Budget Act.

The point of order is sustained and the amendment is not in order.

Are there further amendments to this portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the African Development Bank may subscribe without fiscal year limitation for the callable capital portion of the United States share of such capital stock in an amount not to exceed $49,574,000.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, $72,000,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $35,778,717, for the United States share of the paid-in portion of the increase in capital stock, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $123,237,803.

CONTRIBUTION TO THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

For the United States contribution by the Secretary of the Treasury to increase the resources of the International Fund for Agricultural Development, $5,000,000, to remain available until expended.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $183,000,000: *Provided*, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: *Provided further*, That not less than $5,000,000 should be made available to the World Food Program: *Provided further*, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA).

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled ''International Disaster Assistance'', and ''United States Emergency Refugee and Migration Assistance Fund'', not more than 15 percent of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. Notwithstanding section 614 of the Foreign Assistance Act of 1961, none of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961: *Provided*, That none of the funds appropriated by title II of this Act may be transferred by the Agency for International Development directly to an international financial institution (as defined in section 533 of this Act) for the purpose of repaying a foreign country's loan obligations to such institution.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: *Provided*, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: *Provided further*, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading ''Foreign Military Financing Program'', not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: *Provided further*, That of the funds made available by this Act under the heading ''International Military Education and Training'', not to exceed $50,000 shall be available for entertainment allowances: *Provided further*, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: *Provided further*, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: *Provided further*, That of the funds made available by this Act under the heading ''Trade and Development Agency'', not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for ''Nonproliferation, Anti-terrorism, Demining and Related Programs'') pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Sudan, or Syria: *Provided*, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected head of government is deposed by decree or military coup: *Provided*, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: *Provided*, That the authority of this subsection may not be used in fiscal year 2001.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: *Provided*, That funds appropriated for the purposes of chapters 1, 8, 11, and 12 of

part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading ''Assistance for Eastern Europe and the Baltic States'', shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: *Provided further*, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: *Provided further*, That, effective upon enactment into law of this Act, the final proviso under the heading ''Foreign Military Financing Program'' contained in title VI of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (as enacted into law by section 1000(a)(2) of Public Law 106–113) shall be null and void: *Provided further*, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to the government of such country by the United States pursuant to a program for which funds are appropriated under this Act: *Provided*, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity: *Provided*, That such prohibition shall not apply to the Export-Import Bank if in the judgment of its Board of Directors the benefits to industry and employment in the United States are likely to outweigh the injury to United States producers of the same, similar, or competing commodity, and the Chairman of the Board so notifies the Committees on Appropriations.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: *Provided*, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. (a) For the purposes of providing the executive branch with the necessary administrative flexibility, none of the funds made available under this Act for ''Child Survival and Disease Programs Fund'', ''Development Assistance'', ''International Organizations and Programs'', ''Trade and Development Agency'', ''International Narcotics Control and Law Enforcement'', ''Assistance for Eastern Europe and the Baltic States'', ''Assistance for the Independent States of the Former Soviet Union'', ''Economic Support Fund'', ''Peacekeeping Operations'', ''Operating Expenses of the Agency for International Development'', ''Operating Expenses of the Agency for International Development Office of Inspector General'', ''Nonproliferation, Anti-terrorism, Demining and Related Programs'', ''Foreign Military Financing Program'', ''International Military Education and Training'', ''Peace Corps'', and ''Migration and Refugee Assistance'', shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified 15 days in advance: *Provided*, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 percent in excess of the quantities justified to Congress unless the Committees on Appropriations are notified 15 days in advance of such commitment: *Provided further*, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 percent of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: *Provided further*, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: *Provided further*, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than 3 days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: *Provided further*, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

(b) Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of section 307(a) of the Foreign Assistance Act of 1961, shall remain available for obligation until September 30, 2002.

INDEPENDENT STATES OF THE FORMER SOVIET UNION

SEC. 517. (a) None of the funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be made available for assistance for a government of an Independent State of the former Soviet Union—

(1) unless that government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

Assistance may be furnished without regard to this subsection if the President determines that to do so is in the national interest.

(b) None of the funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' shall be made available for any state to enhance its military capability: *Provided*, That this restriction does not apply to demilitarization, demining or nonproliferation programs.

(c) Funds appropriated under the heading ''Assistance for the Independent States of the Former Soviet Union'' for the Russian Federation and Ukraine shall be subject to the regular notification procedures of the Committees on Appropriations.

(d) Funds made available in this Act for assistance for the Independent States of the former Soviet Union shall be subject to the

provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(e) Funds appropriated in this or prior appropriations Acts that are or have been made available for an Enterprise Fund in the Independent States of the Former Soviet Union may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(f) In issuing new task orders, entering into contracts, or making grants, with funds appropriated in this Act or prior appropriations Acts under the headings ''Assistance for the New Independent States of the Former Soviet Union'' and ''Assistance for the Independent States of the Former Soviet Union'', for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: *Provided*, That none of the funds made available under this Act may be used to lobby for or against abortion.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 519. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 2001, for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs, and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: *Provided*, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 520. None of the funds appropriated by this Act shall be obligated or expended for Colombia, Haiti, Liberia, Serbia, Sudan, Ethiopia, Eritrea, Zimbabwe, or the Democratic Republic of Congo except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 521. For the purpose of this Act, ''program, project, and activity'' shall be defined at the appropriations Act account level and shall include all appropriations and authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, ''program, project, and activity'' shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development ''program, project, and activity'' shall also be considered to include central program level funding, either as: (1) justified to the Congress; or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within 30 days of the enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND DISEASE PREVENTION ACTIVITIES

SEC. 522. Up to $10,500,000 of the funds made available by this Act for assistance under the heading ''Child Survival and Disease Programs Fund'', may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out child survival, basic education, and infectious disease activities: *Provided*, That up to $1,500,000 of the funds made available by this Act for assistance under the heading ''Development Assistance'' may be used to reimburse such agencies, institutions, and organizations for such costs of such individuals carrying out other development assistance activities: *Provided further*, That funds appropriated by this Act that are made available for child survival activities or disease programs including activities relating to research on, and the prevention, treatment and control of, Acquired Immune Deficiency Syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: *Provided further*, That funds appropriated under title II of this Act may be made available pursuant to section 301 of the Foreign Assistance Act of 1961 if a primary purpose of the assistance is for child survival and related programs.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 523. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 524. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (f) of that section: *Provided*, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: *Provided further*, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 525. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91–672 and section 15 of the State Department Basic Authorities Act of 1956.

DEMOCRACY IN CHINA

SEC. 526. Notwithstanding any other provision of law that restricts assistance to foreign countries, funds appropriated by this Act for ''Economic Support Fund'' may be made available to provide general support and grants for nongovernmental organizations located outside the People's Republic of China that have as their primary purpose fostering democracy in that country, and for activities of nongovernmental organizations located outside the People's Republic of China to foster democracy in that country: *Provided*, That none of the funds made available for activities to foster democracy in the People's Republic of China may be made available for assistance to the government of that country, except that funds appropriated by this Act under the heading ''Economic Support Fund'' that are made available for the National Endowment for Democracy or its grantees may be made available for activities to foster democracy in that country notwithstanding this proviso and any other provision of law: *Provided further*, That funds appropriated by this or any prior Acts making appropriations for foreign operations, export financing, and related programs, that are provided to the National Endowment for Democracy shall be provided in a manner that is consistent with the last sentence of section 503(a) of the National Endowment for Democracy Act and Comptroller General Decisions No. B–203681 of June 6, 1985, and No. B–248111 of September 9, 1992, and the National Endowment for Democracy shall be deemed ''the awarding agency'' for purposes of implementing Office of Management and Budget Circular A–122 as dated June 1, 1998, or any successor circular: *Provided further*, That funds made available pursuant to the authority of this section shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That notwithstanding any other provision of law, of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, not to exceed $1,000,000 may be made available to nongovernmental organizations located outside the People's Republic of China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country: *Provided further*, That the final proviso in section 526 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (as enacted into law by

section 1000(a)(2) of Public Law 106–113) is amended by striking ''Robert F. Kennedy Memorial Center for Human Rights'' and inserting ''Jamestown Foundation''.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 527. (a) Funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to the enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism; or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least 15 days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

REPORT ON IMPLEMENTATION OF SUPPLEMENTAL APPROPRIATIONS

SEC. 528. (a) Beginning not later than January 1, 2001, the Secretary of State shall provide quarterly reports to the Committees on Appropriations providing information on the use of funds appropriated in title VI of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000 (as enacted into law by section 1000(a)(2) of Public Law 106–113). Each report shall include the following—

(1) the current and projected status of obligations and expenditures by appropriations account, by country, and by program, project, and activity;

(2) the contractors and subcontractors engaged in activities funded from appropriations contained in title VI; and

(3) the procedures and processes under which decisions have been or will be made on which programs, projects, and activities are funded through appropriations contained in title VI.

(b) For each report required by this section, a classified annex may be submitted if deemed necessary and appropriate.

(c) The last quarterly report required by this section shall be provided to the Committees on Appropriations by January 1, 2002.

COMPETITIVE INSURANCE

SEC. 529. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 530. (a) PROHIBITION.—Except as provided in subsection (b), the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

(b) ADDITIONAL TRANSFERS AUTHORIZED.—In addition to the defense articles otherwise authorized to be transferred by section 581 of the Foreign Operations, Export Financing, and Related Program Appropriation Act, 1990, the United States may sell or otherwise make available Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961, in order to replace, on a one-for-one basis, Stingers previously furnished to such country, provided that the Stingers to be replaced are nearing the scheduled expiration of their shelf-life.

DEBT-FOR-DEVELOPMENT

SEC. 531. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment shall be used for the purpose for which the assistance was provided to that organization.

SEPARATE ACCOUNTS

SEC. 532. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated; and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities; or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all necessary steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) REPORTING REQUIREMENT.—The Administrator of the Agency for International Development shall report on an annual basis as part of the justification documents submitted to the Committees on Appropriations on the use of local currencies for the administrative requirements of the United States Government as authorized in subsection (a)(2)(B), and such report shall include the amount of local currency (and United States dollar equivalent) used and/or to be used for such purpose in each applicable country.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (House Report No. 98–1159).

(3) NOTIFICATION.—At least 15 days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 533. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, ''international financial institutions'' are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 534. None of the funds appropriated or otherwise made available pursuant to this

Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

AMENDMENT OFFERED BY MR. PAYNE

Mr. PAYNE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PAYNE:

Page 70, line 14, after ''IRAQ'' insert ''AND ANGOLA''.

Page 70, line 22, after ''Iraq'' insert ''and Angola''.

Page 71, line 5, strike ''Iraq and Kuwait'' and insert ''Iraq, Kuwait, or Angola, as the case may be''.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from New Jersey (Mr. PAYNE) and a Member opposed each will control 5 minutes.

Mr. CALLAHAN. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman reserves a point of order on the amendment.

The gentleman from New Jersey (Mr. PAYNE) is recognized for 5 minutes on his amendment.

Mr. PAYNE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment, which would be included in section 534, would add to the list of countries, ''any country doing business with UNITA in Angola.''

As my colleagues may know, UNITA is an organization that was formed and supported during the Cold War, and it is an organization that is supported and run by Jonas Savimbi, who during the end of the Cold War agreements were made with President dos Santos from the government and UNITA that an election should be held. An election was held and Mr. dos Santos was the victor of the election.

There was supposed to then be a turning in of weapons from UNITA. They were then supposed to take political seats in the government of Angola, but they have refused to stop the war. They have killed peacekeepers from the United Nations; shot down two planes, which ended up in the loss of life; and also Jonas Savimbi is dealing in illegal diamond sales, similar to the RUF in Sierra Leone.

We must stop the sale of illegal diamonds, whether it is the brutal RUF in Sierra Leone, who broke the Lome Peace Accords, and we feel that now those persons, Foday Sankoh and the rest who broke the accords should stand trial, or in Angola, where UNITA continues to wreak havoc on that country. They have become involved in the conflict in the Congo which has six other countries involved. They are continuing to refuse to go along with continued United Nations sanctions.

So we believe that the same countries that are in this bill, and that this amendment deals with, should be prohibited from having any funds for the governments of any country that supports UNITA. As I have indicated, there has been an appeal to Jonas Savimbi to lay down the arms, to give his arms up and to allow the people of Angola a peace for the first time in many, many years, where a civil war went on until 1974 when the Portuguese troops withdrew from Angola and the country then became independent. But since that time, the UNITA forces were supported by the United States Government, like the government of Zaire with Mr. Mobutu, another brutal dictator. And once again these are the legacies of the Cold War.

I think that we have a responsibility, since we had so much to do with the creation of these despots and these dictators and these brutal leaders, to help undo what we have done. What was done was felt was in the best interest of democracy and our foreign needs, but now that that Cold War is over, I think we have an adequate responsibility to attempt to undo. So I would hope that this amendment would be accepted. As I have indicated, it is simply asking that UNITA, the corporation, be added to the list of these other pariah countries of Iraq and others that are included in this section, and that it would prohibit any funds for the government of any country that supports UNITA.

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

Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume; and I would suggest, Mr. Chairman, that the gentleman from New Jersey talk with the chairman of the authorizing committee, who is here, to strike a section of the bill that is authorization on an appropriations bill that is inappropriate.

If the gentleman would wish to continue, I will be happy to withhold my point of order to allow him to finish his statement.

Mr. PAYNE. Mr. Chairman, I yield myself the balance of my time and would just conclude by once again reiterating that we should prohibit funds to any country that supports UNITA. They are working against the best interests of the people of that country. They said that they would turn in their weapons, they said that they would stop the illicit selling of diamonds, which they have not, and they have continued to wreak havoc.

Mr. Chairman, there are more land mines in Angola than any other country in the world. There are more amputees per person than in any country in the world. Farmers cannot farm, children cannot play, vehicles cannot ride because of the continued business of UNITA. Illegal diamonds are continuing to be sold.

So I think it is a very humane point, and I would ask the gentleman to reconsider his opposition.

POINT OF ORDER

Mr. CALLAHAN. Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and constitutes legislation on an appropriation bill and therefore violates clause 2 of rule XXI.

The rule states in pertinent part: ''An amendment to a general appropriation bill shall not be made in order if changing existing law'' applies.

I ask for the ruling of the Chair.

The CHAIRMAN. Does the gentleman from New Jersey (Mr. PAYNE) wish to be heard on the point of order?

Mr. PAYNE. Yes, Mr. Chairman.

Mr. Chairman, I would ask that the gentleman reconsider his point of order. I believe that this is in keeping with what we have in this section of the legislation. But in addition to that, I think it is only the right thing to do.

As we have indicated, people controlled by UNITA's area are selling diamonds, creating havoc; and I think that if the gentleman would reconsider, this should be inserted. It is not actually legislating; it is simply stating the sense of what is right should be included and was overlooked.

The CHAIRMAN. The Chair is prepared to rule.

Section 534 constitutes a legislative provision permitted to remain in the bill by waiver in House Resolution 546.

A germane amendment merely perfecting section 534 may be in order. The instant amendment, however, by proposing to cover an additional nation in the legislative prescription in section 534, would insert additional legislation. The amendment is not merely perfecting. As such, it constitutes further legislation in violation of clause 2(c) of rule XXI, and the point of order is sustained.

If there are no further amendments to this section, the Clerk will continue to read.

The Clerk read as follows:

AUTHORITIES FOR THE PEACE CORPS, INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, INTER-AMERICAN FOUNDATION AND AFRICAN DEVELOPMENT FOUNDATION

SEC. 535. (a) Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act or the African Development Foundation Act. The agency shall

promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

(b) Unless expressly provided to the contrary, limitations on the availability of funds for ''International Organizations and Programs'' in this or any other Act, including prior appropriations Acts, shall not be construed to be applicable to the International Fund for Agricultural Development.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 536. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: *Provided*, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

FUNDING PROHIBITION FOR SERBIA

SEC. 537. None of the funds appropriated by this Act may be made available for assistance for the Republic of Serbia: *Provided*, That this restriction shall not apply to assistance for Kosovo or Montenegro, or to assistance to promote democratization: *Provided further*, That section 620(t) of the Foreign Assistance Act of 1961, as amended, shall not apply to Kosovo or Montenegro.

SPECIAL AUTHORITIES

SEC. 538. (a) Funds appropriated in titles I and II of this Act that are made available for Afghanistan, Lebanon, Montenegro, and for victims of war, displaced children, and displaced Burmese, may be made available notwithstanding any other provision of law: *Provided*, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106, and chapter 4 of part II, of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and biodiversity conservation activities and, subject to the regular notification procedures of the Committees on Appropriations, energy programs aimed at reducing greenhouse gas emissions: *Provided*, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

(d)(1) WAIVER.—The President may waive the provisions of section 1003 of Public Law 100–204 if the President determines and certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that it is important to the national security interests of the United States.

(2) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to paragraph (1) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL AND NORMALIZING RELATIONS WITH ISRAEL

SEC. 539. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel and should normalize their relations with Israel;

(2) the decision by the Arab League in 1997 to reinstate the boycott against Israel was deeply troubling and disappointing;

(3) the fact that only three Arab countries maintain full diplomatic relations with Israel is also of deep concern;

(4) the Arab League should immediately rescind its decision on the boycott and its members should develop normal relations with their neighbor Israel; and

(5) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to normalize their relations with Israel;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress annually on the specific steps being taken by the United States and the progress achieved to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel and to expand the process of normalizing ties between Arab League countries and Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ADMINISTRATION OF JUSTICE ACTIVITIES

SEC. 540. Of the funds appropriated or otherwise made available by this Act for ''Economic Support Fund'', assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean and in other regions consistent with the provisions of section 534(b) of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act. Funds made available pursuant to this section may be made available notwithstanding section 534(c) and the second and third sentences of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 541. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1, 10, 11, and 12 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, and from funds appropriated under the heading ''Assistance for Eastern Europe and the Baltic States'': *Provided*, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: *Provided further*, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: *Provided further*, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 2001, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: *Provided*, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 542. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which

has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: *Provided*, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: *Provided*, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 543. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs. Earmarks or minimum funding requirements contained in any other Act shall not be applicable to funds appropriated by this Act.

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POINT OF ORDER

Mr. GILMAN. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman may state his point of order.

Mr. GILMAN. Mr. Chairman, I make a point of order against the language appearing in the bill beginning with ''earmarks'' on page 80, line 22, through the end of page 80, line 24 on the ground that it violates clause 2 of Rule XXI.

The rule I have referenced prohibits provisions changing existing law on general appropriations bills.

This language clearly is legislative and would override existing and future legislation of our Committee on International Relations and other committees that have legislative authority over funds appropriated in this Act.

Mr. CALLAHAN. Mr. Chairman, in the essence of time, I am willing to concede the point of order.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for his comments.

The CHAIRMAN. The Chair is prepared to rule.

The Chair finds that the provision removes earmarks and limitations contained in existing law. Similarly, the provision addresses earmarks and limitations in subsequent acts. As such, the provision constitutes legislation in violation of clause 2 of rule XXI. The point of order is sustained and the provision is stricken from the bill.

Mr. GILMAN. Mr. Chairman, may I proceed for an additional minute?

The CHAIRMAN. Without objection, the gentleman from New York (Mr. GILMAN) is permitted to extend his remarks after the ruling on the point of order.

Mr. GILMAN. Although I am on my feet to object to a particular provision——

The CHAIRMAN. If the gentleman will suspend, the Chair has ruled on the point of order.

Mr. GILMAN. I am not discussing the point of order, Mr. Chairman, just a comment to make about our distinguished chairman.

The CHAIRMAN. The order of the House does not provide for any Member other than the chairman and the ranking member or their designees to strike the requisite number of words for purposes of debate.

Mr. GILMAN. Mr. Chairman, those authorities include the authority to set minimum funding levels and earmarks in ways that do not constitute appropriations.

Moreover, the House may have decided, or may decide in the future, to permit a variety of legislative actions in other Acts in particular, appropriate, cases and such actions should not be overridden by this sort of proviso. I would hasten to add that in most if not all cases our inclinations on earmarks and minimum funding levels have been worked out amicably with the Committee on Appropriations.

The fact that this provision, which is a law intended to apply during the year of its enactment only, is repeated from a previous year does not relieve it from being characterized as legislation, and I would refer to the authority cited in Section 1052 of the House Rules Manual, that is, Hinds' Precedents, Volume IV, Section 3822.

Accordingly, Mr. Chairman, I must respectfully insist on my point of order.

The CHAIRMAN. Are there further amendments to this section of the bill? If not, the Clerk will read.

The Clerk read as follows:

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 544. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of the enactment of this Act by the Congress: *Provided*, That not to exceed $750,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 545. (a) To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

(b) It is the sense of the Congress that, to the greatest extent practicable, all agriculture commodities, equipment and products purchased with funds made available in this Act should be American-made.

(c) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (b) by the Congress.

(d) The Secretary of the Treasury shall report to Congress annually on the efforts of the heads of each Federal agency and the United States directors of international financial institutions (as referenced in section 514) in complying with this sense of the Congress.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 546. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations or, from funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, the costs for participation of another country's delegation at international conferences held under the auspices of multilateral or international organizations.

CONSULTING SERVICES

SEC. 547. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 548. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 549. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after October 1, 1997.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 550. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines

and penalties owed to the District of Columbia by such country as of the date of the enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 551. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: *Provided*, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

WAR CRIMES TRIBUNALS DRAWDOWN

SEC. 552. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the President may direct a drawdown pursuant to section 552(c) of the Foreign Assistance Act of 1961, as amended, of up to $30,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: *Provided*, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): *Provided further*, That 60 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia: *Provided further*, That the drawdown made under this section for any tribunal shall not be construed as an endorsement or precedent for the establishment of any standing or permanent international criminal tribunal or court: *Provided further*, That funds made available for tribunals other than Yugoslavia or Rwanda shall be made available subject to the regular notification procedures of the Committees on Appropriations.

LANDMINES

SEC. 553. Notwithstanding any other provision of law, demining equipment available to the Agency for International Development and the Department of State and used in support of the clearance of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 554. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: *Provided*, That this restriction shall not apply to the acquisition of additional space for the existing Consulate General in Jerusalem: *Provided further*, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 555. None of the funds appropriated or otherwise made available by this Act under the headings ''International Military Education and Training'' or ''Foreign Military Financing Program'' for Informational Program activities or under the headings ''Child Survival and Disease Programs Fund'', ''Development Assistance'', and ''Economic Support Fund'' may be obligated or expended to pay for—

(1) alcoholic beverages; or

(2) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 556. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961;

(2) credits extended or guarantees issued under the Arms Export Control Act; or

(3) any obligation or portion of such obligation, to pay for purchases of United States agricultural commodities guaranteed by the Commodity Credit Corporation under export credit guarantee programs authorized pursuant to section 5(f) of the Commodity Credit Corporation Charter Act of June 29, 1948, as amended, section 4(b) of the Food for Peace Act of 1966, as amended (Public Law 89–808), or section 202 of the Agricultural Trade Act of 1978, as amended (Public Law 95–501).

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as ''Paris Club Agreed Minutes''.

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as ''IDA-only'' countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961 or section 321 of the International Development and Food Assistance Act of 1975.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 557. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible

for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President should consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading ''Debt Restructuring''.

ASSISTANCE FOR HAITI

SEC. 558. (a) None of the funds appropriated by this or any previous appropriations Act for foreign operations, export financing and related programs shall be made available for assistance for the Government of Haiti until—

(1) the Secretary of State reports to the Committees on Appropriations that Haiti has held free and fair elections to seat a new parliament; and

(2) the Director of the Office of National Drug Control Policy reports to the Committees on Appropriations that the Government of Haiti is fully cooperating with United States efforts to interdict illicit drug traffic through Haiti to the United States.

(b) Not more than 11 percent of the funds appropriated by this Act to carry out the provisions of sections 103 through 106 and chapter 4 of part II of the Foreign Assistance Act of 1961, that are made available for Latin America and the Caribbean region may be made available, through bilateral and Latin America and the Caribbean regional programs, to provide assistance for any country in such region.

AMENDMENT NO. 38 OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 38 offered by Mr. CONYERS: Strike section 558 of the bill (page 94, strike line 10 and all that follows through line 3 on page 95).

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from Michigan (Mr. CONYERS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am delighted to be here to see so many Haiti experts on the floor including, my good friend the gentleman from New Jersey (Mr. PAYNE) and the gentleman from New York (Chairman GILMAN), both of whom I have traveled there with many times.

I propose that we strike the language because it creates a double standard against Haiti and it, further, is premature.

What the language does that I am objecting to is ask that the Committee on Appropriations get a report from the Secretary of State to say that Haiti has held free and fair elections to seat a new parliament and, secondly, that the Office of National Drug Policy should determine that the Government of Haiti is fully cooperating with the United States to interdict drug traffic through Haiti.

Now, let us take the second one first. Nobody in the Caribbean cooperates with the U.S. drug interdiction policy interfering with transshipments of drugs that go on throughout the Caribbean more than Haiti. It gives our Government total full operating license. And, in addition, I have heard our Coast Guard say that they have total cooperation.

Further, the Haitian Government has no navy, so they are anxious to have the continued support of the U.S.

Now, with the idea of holding up appropriations until the Secretary of State declares free elections, just a couple of things we need to understand. This is a double standard that does not apply to anybody else. And we have had far more seriously defective elections than Haiti.

Haiti had a great election. We admitted it. I was an international observer. It was reported in the paper. Record turn out. Record registration. Nonviolence at the election. There was only one problem. There was a disagreement about the counting methodology after the election.

Now, how does that qualify for considering fraud? There was an honest disagreement of the counting process which our own State Department, the White House says can be resolved and is in the process of being resolved.

So lighten up. Let us give Haiti a chance. There is absolutely no reason for us to do that.

Now, the other reason is that we are sending in Federal observers for U.S. elections 200 years after this country. They have to come into Flint, Michigan, and many places throughout the country to protect the voters and their right to vote and to make sure that there is no fraud. So we do not want to apply the standards of the U.S. to our country.

Furthermore, Peru had elections that closed out international observers. Those of us who went as international observers were able to see with our own eyes the fairness and the appropriateness of the election.

So let us let the Haitian Government, the election commission of Haiti, do its job before we start issuing these extremely punitive activities.

Now, remember what we did for Peru was prospective. After they had a not-so-good election, we said in the future they have got to do this and that. So please, to the chairman of this committee and the subcommittee chairman, let us give them a break.

Our Government is in the process of negotiating as we speak. A U.S. delegation is on the way to Haiti, I think they left last night, to work it out with the Government; and here we are calling the shots as if we know what is going to go down.

Let us give Haiti, the newest developing democratic nation in the western hemisphere, a small chance by striking this amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. GILMAN) chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, while I fully concur with the concerns voiced by the gentleman from Michigan (Mr. CONYERS) and we want to do all we can to assist those in need in Haiti and promote democracy in that country, regrettably there are serious concerns about democratic institutions in Haiti today and our Nation needs to uphold those principles.

For these reasons, I will oppose the amendment. But our committee will continue to monitor events, as we have with the gentleman from Michigan (Mr. CONYERS) in the past, of what is going on in Haiti to see what we can do to strengthen democratic institutions in that country.

Democracy is an important and paramount interest to all of us, and we would like to see Haiti move in the right direction. But I urge our colleagues to oppose the amendment.

Mr. CALLAHAN. Mr. Chairman, I yield 10 seconds to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, all I am suggesting, we are in agreement we want to move Haiti forward, but we should not be acting punitively before the election results are resolved. That is all I am saying is let us wait.

Mr. CALLAHAN. Mr. Chairman, I yield 15 seconds to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I thank the distinguished chairman for his courtesy.

Mr. Chairman, I support what the gentleman from Michigan (Mr. CONYERS) is setting out to do. I want to follow up on what the distinguished chairman of the Committee on International Relations said, these are principles we want to uphold. And surely we do. But it seems unfair for us to single out Haiti.

If they want to write this to apply to every country, that is one thing, but it really seems kind of unfair to single out Haiti in this report. So holding the principles, we should apply them consistently.

Mr. CALLAHAN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Chairman, I thank the distinguished gentleman for yielding me the time.

Mr. Chairman, I obviously heard this debate and ran over here. I very much am opposed to the amendment. There is no pretense democracy anymore in Haiti. It is not a democratic country.

I have recently had the opportunity to talk to Mr. Manus, who was the head of the election committee there. He was chased out of the country under threat of death under assassination by mob violence, a most brutal and terrifying prospect. And certainly he has come to our country seeking asylum as a result.

There is no judicial department that is working there. There is no real legislative branch. We are stuck with a situation in Haiti where we have committed billions of dollars and made the situation worse because we have backed the wrong people.

It is a tragic situation. To make it worse by adding more American taxpayers' dollars to the situation to promote a non-democratic form of government in a friendly neighboring country to me is an unconscionable act, and I surely hope we are not going to do that.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, the gentleman from Florida (Mr. GOSS) and I have been to Haiti together. We know there is no military in Haiti. At our insistence, they have only a national police force and no navy. We have met with the President of Haiti. The government is working as well as they can. The election will bring the parliament back to action.

Mr. GOSS. Mr. Chairman, reclaiming my time, the election has been, by all observation, a total sham. The OAS has come back and said this is not even a pretense of democracy. There is no transparency.

The final blow for me, and I have been giving them the benefit of the doubt for a long time, as the gentleman knows, hoping against hope that things will get better, but when I spoke with Mr. Manus, that was the end of it. It is over.

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Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume.

We only have two conditions on aid to the government of Haiti. Those two conditions happen to be free elections which the gentleman from Florida (Mr. GOSS) just spoke about and cooperation with our fight against illegal drug trafficking. I am certain that the gentleman also supports these goals. The bill has no restrictions against aid to NGOs working in Haiti. It has zero restrictions on humanitarian aid. And with these two contingencies, I am certain if the gentleman from Michigan had time to analyze the language of the bill that he too would be supporting the bill as written.

I urge my colleagues to vote ''no'' on the amendment.

Mr. GILMAN. Mr. Chairman, I want to set forth my reasons for my opposition to the amendment offered by my friend the gentleman from Michigan, Mr. CONYERS.

First, I recognize and applaud the tireless efforts of the gentleman from Michigan in trying to help Haiti. I share his commitment to helping the people of Haiti overcome that impoverished nation's legacy of violence and dictatorship.

Haitians need to be able to compete in the global economy. We should assist Haiti by fostering private sector jobs, helping Haitians educate their children and gain access to clean water and decent healthcare, among other issues. I will be pleased to work with the gentleman from Michigan and other Members to support continued assistance that directly reaches the people of Haiti.

The Conyers Amendment would strike language that is straighforward and appropriate. This language permits U.S. assistance to flow to the government of Haiti only if the Secretary of State reports to the Committees on Appropriations that Haiti has held free and fair elections to seat a new parliament. The language in this bill will not prevent U.S. assistance from being directed to the people of Haiti directly or through non-governmental intermediaries.

On May 21, 2000, a broad majority of Haitians courageously and deliberately voted on a peaceful election day that contrasted sharply with a campaign that witnessed some 15 people—many of them opposition candidates and officals—murdered. Regrettably, that extraordinary popular expression of support for democracy was soon sullied by acts of manipulation and official intimidation by the Haitian National Police.

Sadly, it is now patently clear that the government of Haiti deliberately undermined the holding of free and fair elections. In fact, the president of Haiti's provisional electoral council, Mr. Leon Manus, was forced to flee Haiti in fear of his life.

After enduring efforts by the government of Haiti to undermine the Provisional Electoral Council's work, Mr. Manus refused to certify false results giving a super-majority of Senate seats to President Rene Preval's Fanmi Lavalas party. Mr. Manus stated: ''At the top governmental level unequivocal messages were transmitted to me on the consequences that would follow if I refused to publish the false final results.''

The international community, led by Organization of American States election observers in Haiti, patiently and diplomatically pointed out to the government of Haiti that it had made a ''mistake'' in calculating votes in declaring winners for senate races. The government of Haiti ignored these diplomatic entreaties and scheduled run-off elections for July 9th.

A delegation from the Caribbean Community (CARICOM) visited Haiti just last week and made a reasonable proposal to President Preval that would have permitted him to save face and postpone the run-off election. Again, President Preval and his government rejected the good offices of the international community and pressed on with the run off election this past Sunday.

The Organization of American States election observers refused to monitor the run-off. Orlando Marville, the leader of the OAS electoral mission, explained: ''We do not think they should allow the process to go forward as if nothing had happened. Fundamentally, if they say they are not going to change it, we cannot accept it as valid. This changes the whole nature of the elections. We are at the position where to observe the elections would send the wrong signal, which we do not want to do.''

The Caribbean Community's envoy sent to investigate the elections, Sir John Compton, said Monday that the trade bloc ''should not be tainted by recognizing Sunday's vote.''

The White House has said: ''We are deeply troubled that Haiti proceeded with run-off elections on Sunday despite the well-founded concerns of the Caribbean Community, the Organization of the American States and the United Nations,''

U.N. Secretary-General Kofi Annan expressed his ''regret'' Monday that Haitian authorities held the run-off vote ''without having resolved the outstanding issues related to the first round.''

The language regarding Haiti in this bill is appropriate. We should not reward this government that has actively worked to derail and manipulate these elections.

Moreover, the language in this bill also conditions aid to the government of Haiti on the Director of the Office of National Drug Control Policy reporting that the government of Haiti is fully cooperating with United States efforts to interdict illicit drug traffic through Haiti.

We have a serious law enforcement problem in Haiti involving a massive flow of illegal drugs from Colombia to the United States. The government of Haiti is not only moving to seize absolute power, it is also becoming a consolidated narco-state. Current U.S. law prohibits counter-narcotics assistance being provided through individuals, including government officials, who conspire to violate U.S. drug laws.

Striking this language in the Foreign Operations appropriations bill would be the wrong thing to do. We must, instead, support this

language and conduct a serious re-evaluation of our Haiti policy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. CONYERS).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to this section of the bill?

If not, the Clerk will read.

The Clerk read as follows:

REQUIREMENT FOR DISCLOSURE OF FOREIGN AID IN REPORT OF SECRETARY OF STATE

SEC. 559. (a) FOREIGN AID REPORTING REQUIREMENT.—In addition to the voting practices of a foreign country, the report required to be submitted to Congress under section 406(a) of the Foreign Relations Authorization Act, fiscal years 1990 and 1991 (22 U.S.C. 2414a), shall include a side-by-side comparison of individual countries' overall support for the United States at the United Nations and the amount of United States assistance provided to such country in fiscal year 2000.

(b) UNITED STATES ASSISTANCE.—For purposes of this section, the term ''United States assistance'' has the meaning given the term in section 481(e)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e)(4)).

RESTRICTIONS ON VOLUNTARY CONTRIBUTIONS TO UNITED NATIONS AGENCIES

SEC. 560. (a) PROHIBITION ON VOLUNTARY CONTRIBUTIONS FOR THE UNITED NATIONS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) if the United Nations implements or imposes any taxation on any United States persons.

(b) CERTIFICATION REQUIRED FOR DISBURSEMENT OF FUNDS.—None of the funds appropriated by this Act may be made available to pay any voluntary contribution of the United States to the United Nations (including the United Nations Development Program) unless the President certifies to the Congress 15 days in advance of such payment that the United Nations is not engaged in any effort to implement or impose any taxation on United States persons in order to raise revenue for the United Nations or any of its specialized agencies.

(c) DEFINITIONS.—As used in this section the term ''United States person'' refers to—

(1) a natural person who is a citizen or national of the United States; or

(2) a corporation, partnership, or other legal entity organized under the United States or any State, territory, possession, or district of the United States.

HAITI

SEC. 561. The Government of Haiti shall be eligible to purchase defense articles and services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), for the Coast Guard: *Provided*, That the authority provided by this section shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON ASSISTANCE TO THE PALESTINIAN AUTHORITY

SEC. 562. (a) PROHIBITION OF FUNDS.—None of the funds appropriated by this Act to carry out the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961 may be obligated or expended with respect to providing funds to the Palestinian Authority.

(b) WAIVER.—The prohibition included in subsection (a) shall not apply if the President certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that waiving such prohibition is important to the national security interests of the United States.

(c) PERIOD OF APPLICATION OF WAIVER.—Any waiver pursuant to subsection (b) shall be effective for no more than a period of 6 months at a time and shall not apply beyond 12 months after the enactment of this Act.

LIMITATION ON ASSISTANCE TO SECURITY FORCES

SEC. 563. None of the funds made available by this Act may be provided to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights, unless the Secretary determines and reports to the Committees on Appropriations that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice: *Provided*, That nothing in this section shall be construed to withhold funds made available by this Act from any unit of the security forces of a foreign country not credibly alleged to be involved in gross violations of human rights: *Provided further*, That in the event that funds are withheld from any unit pursuant to this section, the Secretary of State shall promptly inform the foreign government of the basis for such action and shall, to the maximum extent practicable, assist the foreign government in taking effective measures to bring the responsible members of the security forces to justice.

RESTRICTIONS ON ASSISTANCE TO COUNTRIES PROVIDING SANCTUARY TO INDICTED WAR CRIMINALS

SEC. 564. (a) BILATERAL ASSISTANCE.—None of the funds made available by this or any prior Act making appropriations for foreign operations, export financing and related programs, may be provided for any country, entity or municipality described in subsection (e).

(b) MULTILATERAL ASSISTANCE.—

(1) PROHIBITION.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of any financial or technical assistance or grants of any kind to any country or entity described in subsection (e).

(2) NOTIFICATION.—Not less than 15 days before any vote in an international financial institution regarding the extension of financial or technical assistance or grants to any country or entity described in subsection (e), the Secretary of the Treasury, in consultation with the Secretary of State, shall provide to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on Banking and Financial Services of the House of Representatives a written justification for the proposed assistance, including an explanation of the United States position regarding any such vote, as well as a description of the location of the proposed assistance by municipality, its purpose, and its intended beneficiaries.

(3) DEFINITION.—The term ''international financial institution'' includes the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Multilateral Investment Guaranty Agency, and the European Bank for Reconstruction and Development.

(c) EXCEPTIONS.—

(1) IN GENERAL.—Subject to paragraph (2), subsections (a) and (b) shall not apply to the provision of—

(A) humanitarian assistance;

(B) democratization assistance;

(C) assistance for cross border physical infrastructure projects involving activities in both a sanctioned country, entity, or municipality and a nonsanctioned contiguous country, entity, or municipality, if the project is primarily located in and primarily benefits the nonsanctioned country, entity, or municipality and if the portion of the project located in the sanctioned country, entity, or municipality is necessary only to complete the project;

(D) small-scale assistance projects or activities requested by United States Armed Forces that promote good relations between such forces and the officials and citizens of the areas in the United States SFOR sector of Bosnia;

(E) implementation of the Brcko Arbitral Decision;

(F) lending by the international financial institutions to a country or entity to support common monetary and fiscal policies at the national level as contemplated by the Dayton Agreement;

(G) direct lending to a non-sanctioned entity, or lending passed on by the national government to a non-sanctioned entity; or

(H) assistance to the International Police Task Force for the training of a civilian police force.

(2) NOTIFICATION.—Every 60 days the Secretary of State, in consultation with the Administrator of the Agency for International Development, shall publish in the Federal Register and/or in a comparable publicly accessible document or Internet site, a listing and justification of any assistance that is obligated within that period of time for any country, entity, or municipality described in subsection (e), including a description of the purpose of the assistance, project and its location, by municipality.

(d) FURTHER LIMITATIONS.—Notwithstanding subsection (c)—

(1) no assistance may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs, in any country, entity, or municipality described in subsection (e), for a program, project, or activity in which a publicly indicted war criminal is known to have any financial or material interest; and

(2) no assistance (other than emergency foods or medical assistance or demining assistance) may be made available by this Act, or any prior Act making appropriations for foreign operations, export financing and related programs for any program, project, or activity in a community within any country, entity or municipality described in subsection (e) if competent authorities within that community are not complying with the provisions of article IX and annex 4, article II, paragraph 8 of the Dayton Agreement relating to war crimes and the Tribunal.

(e) SANCTIONED COUNTRY, ENTITY, OR MUNICIPALITY.—A sanctioned country, entity, or municipality described in this section is one whose competent authorities have failed, as determined by the Secretary of State, to take necessary and significant steps to apprehend and transfer to the Tribunal all persons who have been publicly indicted by the Tribunal.

(f) SPECIAL RULE.—Subject to subsection (d), subsections (a) and (b) shall not apply to the provision of assistance to an entity that is not a sanctioned entity, notwithstanding

that such entity may be within a sanctioned country, if the Secretary of State determines and so reports to the appropriate congressional committees that providing assistance to that entity would promote peace and internationally recognized human rights by encouraging that entity to cooperate fully with the Tribunal.

(g) CURRENT RECORD OF WAR CRIMINALS AND SANCTIONED COUNTRIES, ENTITIES, AND MUNICIPALITIES.—

(1) IN GENERAL.—The Secretary of State shall establish and maintain a current record of the location, including the municipality, if known, of publicly indicted war criminals and a current record of sanctioned countries, entities, and municipalities.

(2) INFORMATION OF THE DCI AND THE SECRETARY OF DEFENSE.—The Director of Central Intelligence and the Secretary of Defense should collect and provide to the Secretary of State information concerning the location, including the municipality, of publicly indicted war criminals.

(3) INFORMATION OF THE TRIBUNAL.—The Secretary of State shall request that the Tribunal and other international organizations and governments provide the Secretary of State information concerning the location, including the municipality, of publicly indicted war criminals and concerning country, entity and municipality authorities known to have obstructed the work of the Tribunal.

(4) REPORT.—Beginning 30 days after the date of the enactment of this Act, and not later than September 1 each year thereafter, the Secretary of State shall submit a report in classified and unclassified form to the appropriate congressional committees on the location, including the municipality, if known, of publicly indicted war criminals, on country, entity and municipality authorities known to have obstructed the work of the Tribunal, and on sanctioned countries, entities, and municipalities.

(5) INFORMATION TO CONGRESS.—Upon the request of the chairman or ranking minority member of any of the appropriate congressional committees, the Secretary of State shall make available to that committee the information recorded under paragraph (1) in a report submitted to the committee in classified and unclassified form.

(h) WAIVER.—

(1) IN GENERAL.—The Secretary of State may waive the application of subsection (a) or subsection (b) with respect to specified bilateral programs or international financial institution projects or programs in a sanctioned country, entity, or municipality upon providing a written determination to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives that such assistance directly supports the implementation of the Dayton Agreement and its Annexes, which include the obligation to apprehend and transfer indicted war criminals to the Tribunal.

(2) REPORT.—Not later than 15 days after the date of any written determination under paragraph (1) the Secretary of State shall submit a report to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives regarding the status of efforts to secure the voluntary surrender or apprehension and transfer of persons indicted by the Tribunal, in accordance with the Dayton Agreement, and outlining obstacles to achieving this goal.

(3) ASSISTANCE PROGRAMS AND PROJECTS AFFECTED.—Any waiver made pursuant to this subsection shall be effective only with respect to a specified bilateral program or multilateral assistance project or program identified in the determination of the Secretary of State to Congress.

(i) TERMINATION OF SANCTIONS.—The sanctions imposed pursuant to subsections (a) and (b) with respect to a country or entity shall cease to apply only if the Secretary of State determines and certifies to Congress that the authorities of that country, entity, or municipality have apprehended and transferred to the Tribunal all persons who have been publicly indicted by the Tribunal.

(j) DEFINITIONS.—As used in this section—

(1) COUNTRY.—The term ''country'' means Bosnia-Herzegovina, Croatia, and Serbia.

(2) ENTITY.—The term ''entity'' refers to the Federation of Bosnia and Herzegovina, Kosovo, Montenegro, and the Republika Srpska.

(3) DAYTON AGREEMENT.—The term ''Dayton Agreement'' means the General Framework Agreement for Peace in Bosnia and Herzegovina, together with annexes relating thereto, done at Dayton, November 10 through 16, 1995.

(4) TRIBUNAL.—The term ''Tribunal'' means the International Criminal Tribunal for the Former Yugoslavia.

(k) ROLE OF HUMAN RIGHTS ORGANIZATIONS AND GOVERNMENT AGENCIES.—In carrying out this section, the Secretary of State, the Administrator of the Agency for International Development, and the executive directors of the international financial institutions shall consult with representatives of human rights organizations and all government agencies with relevant information to help prevent publicly indicted war criminals from benefiting from any financial or technical assistance or grants provided to any country or entity described in subsection (e).

TO PROHIBIT FOREIGN ASSISTANCE TO THE GOVERNMENT OF THE RUSSIAN FEDERATION SHOULD IT ENACT LAWS WHICH WOULD DISCRIMINATE AGAINST MINORITY RELIGIOUS FAITHS IN THE RUSSIAN FEDERATION

SEC. 565. None of the funds appropriated under this Act may be made available for the Government of the Russian Federation, after 180 days from the date of the enactment of this Act, unless the President determines and certifies in writing to the Committees on Appropriations and the Committee on Foreign Relations of the Senate that the Government of the Russian Federation has implemented no statute, executive order, regulation or similar government action that would discriminate, or would have as its principal effect discrimination, against religious groups or religious communities in the Russian Federation in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a party.

GREENHOUSE GAS EMISSIONS

SEC. 566. (a) Funds made available in this Act to support programs or activities the primary purpose of which is promoting or assisting country participation in the Kyoto Protocol to the Framework Convention on Climate Change (FCCC) shall only be made available subject to the regular notification procedures of the Committees on Appropriations.

(b) The President shall provide a detailed account of all Federal agency obligations and expenditures for climate change programs and activities, domestic and international obligations for such activities in fiscal year 2001, and any plan for programs thereafter related to the implementation or the furtherance of protocols pursuant to, or related to negotiations to amend the FCCC in conjunction with the President's submission of the Budget of the United States Government for Fiscal Year 2002: *Provided*, That such report shall include an accounting of expenditures by agency with each agency identifying climate change activities and associated costs by line item as presented in the President's Budget Appendix: *Provided further*, That such report shall identify with regard to the Agency for International Development, obligations and expenditures by country or central program and activity.

AID TO THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF CONGO

SEC. 567. None of the funds appropriated or otherwise made available by this Act may be provided to the Central Government of the Democratic Republic of Congo.

ASSISTANCE FOR THE MIDDLE EAST

SEC. 568. Of the funds appropriated in titles II and III of this Act under the headings ''Economic Support Fund'', ''Foreign Military Financing Program'', ''International Military Education and Training'', ''Peacekeeping Operations'', for refugees resettling in Israel under the heading ''Migration and Refugee Assistance'', and for assistance for Israel to carry out provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 under the heading ''Nonproliferation, Anti-Terrorism, Demining and Related Programs'', not more than a total of $5,221,150,000 may be made available for Israel, Egypt, Jordan, Lebanon, the West Bank and Gaza, the Israel-Lebanon Monitoring Group, the Multinational Force and Observers, the Middle East Regional Democracy Fund, Middle East Regional Cooperation, and Middle East Multilateral Working Groups: *Provided*, That any funds that were appropriated under such headings in prior fiscal years and that were at the time of the enactment of this Act obligated or allocated for other recipients may not during fiscal year 2001 be made available for activities that, if funded under this Act, would be required to count against this ceiling: *Provided further*, That funds may be made available notwithstanding the requirements of this section if the President determines and certifies to the Committees on Appropriations that it is important to the national security interest of the United States to do so and any such additional funds shall only be provided through the regular notification procedures of the Committees on Appropriations.

ENTERPRISE FUND RESTRICTIONS

SEC. 569. Prior to the distribution of any assets resulting from any liquidation, dissolution, or winding up of an Enterprise Fund, in whole or in part, the President shall submit to the Committees on Appropriations, in accordance with the regular notification procedures of the Committees on Appropriations, a plan for the distribution of the assets of the Enterprise Fund.

CAMBODIA

SEC. 570. (a) The Secretary of the Treasury should instruct the United States executive directors of the international financial institutions to use the voice and vote of the United States to oppose loans to the Central Government of Cambodia, except loans to support basic human needs.

(b) None of the funds appropriated by this Act may be made available for assistance for the Central Government of Cambodia.

FOREIGN MILITARY TRAINING REPORT

SEC. 571. (a) The Secretary of Defense and the Secretary of State shall jointly provide to the Congress by March 1, 2001, a report on all military training provided to foreign military personnel (excluding sales, and excluding training provided to the military personnel of countries belonging to the North Atlantic Treaty Organization) under programs administered by the Department of Defense and the Department of State during fiscal years 2000 and 2001, including those proposed for fiscal year 2001. This report shall include, for each such military training activity, the foreign policy justification and purpose for the training activity, the cost of the training activity, the number of foreign students trained and their units of operation, and the location of the training. In addition, this report shall also include, with respect to United States personnel, the operational benefits to United States forces derived from each such training activity and the United States military units involved in each such training activity. This report may include a classified annex if deemed necessary and appropriate.

(b) For purposes of this section a report to Congress shall be deemed to mean a report to the Appropriations and Foreign Relations Committees of the Senate and the Appropriations and International Relations Committees of the House of Representatives.

KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION

SEC. 572. (a) Of the funds made available under the heading ''Nonproliferation, Antiterrorism, Demining and Related Programs'', not to exceed $35,000,000 may be made available for the Korean Peninsula Energy Development Organization (hereafter referred to in this section as ''KEDO''), notwithstanding any other provision of law, only for the administrative expenses and heavy fuel oil costs associated with the Agreed Framework.

(b) Such funds may be made available for KEDO only if, 30 days prior to such obligation of funds, the President certifies and so reports to Congress that—

(1) the parties to the Agreed Framework have taken and continue to take demonstrable steps to implement the Joint Declaration on Denuclearization of the Korean Peninsula in which the Government of North Korea has committed not to test, manufacture, produce, receive, possess, store, deploy, or use nuclear weapons, and not to possess nuclear reprocessing or uranium enrichment facilities;

(2) the parties to the Agreed Framework have taken and continue to take demonstrable steps to pursue the North-South dialogue;

(3) North Korea is complying with all provisions of the Agreed Framework;

(4) North Korea has not significantly diverted assistance provided by the United States for purposes for which it was not intended;

(5) there is no credible evidence that North Korea is seeking to develop or acquire the capability to enrich uranium, or any additional capability to reprocess spent nuclear fuel;

(6) North Korea is complying with its commitments regarding access to suspect underground construction at Kumchang-ni;

(7) there is no credible evidence that North Korea is engaged in a nuclear weapons program, including efforts to acquire, develop, test, produce, or deploy such weapons; and

(8) the United States is continuing to make significant progress on eliminating the North Korean ballistic missile threat, including further missile tests and its ballistic missile exports.

(c) The President may waive the certification requirements of subsection (b) if the President determines that it is vital to the national security interests of the United States and provides written policy justifications to the appropriate congressional committees. No funds may be obligated for KEDO until 30 days after submission to Congress of such waiver.

(d) The Secretary of State shall, at the time of the annual presentation for appropriations, submit a report providing a full and detailed accounting of the fiscal year 2002 request for the United States contribution to KEDO, the expected operating budget of KEDO, proposed annual costs associated with heavy fuel oil purchases, including unpaid debt, and the amount of funds pledged by other donor nations and organizations to support KEDO activities on a per country basis, and other related activities.

AFRICAN DEVELOPMENT FOUNDATION

SEC. 573. Funds made available to grantees of the African Development Foundation may be invested pending expenditure for project purposes when authorized by the President of the Foundation: *Provided*, That interest earned shall be used only for the purposes for which the grant was made: *Provided further*, That this authority applies to interest earned both prior to and following the enactment of this provision: *Provided further*, That notwithstanding section 505(a)(2) of the African Development Foundation Act, in exceptional circumstances the board of directors of the Foundation may waive the $250,000 limitation contained in that section with respect to a project: *Provided further*, That the Foundation shall provide a report to the Committees on Appropriations in advance of exercising such waiver authority.

PROHIBITION ON ASSISTANCE TO THE PALESTINIAN BROADCASTING CORPORATION

SEC. 574. None of the funds appropriated or otherwise made available by this Act may be used to provide equipment, technical support, consulting services, or any other form of assistance to the Palestinian Broadcasting Corporation.

IRAQ OPPOSITION

SEC. 575. Notwithstanding any other provision of law, of the funds appropriated under the heading ''Economic Support Fund'', not to exceed $10,000,000 may be made available to support efforts to bring about political transition in Iraq, of which not to exceed $8,000,000 may be made available only to Iraqi opposition groups designated under the Iraq Liberation Act (Public Law 105–338) for political, economic, humanitarian, and other activities of such groups, and not to exceed $2,000,000 may be made available for groups and activities seeking the prosecution of Saddam Hussein and other Iraqi government officials for war crimes: *Provided,* That none of these funds may be made available for administrative expenses of the Department of State.

AGENCY FOR INTERNATIONAL DEVELOPMENT BUDGET JUSTIFICATION

SEC. 576. The Agency for International Development shall submit to the Committees on Appropriations a detailed budget justification that is consistent with the requirements of section 515, for each fiscal year. The Agency shall submit to the Committees on Appropriations a proposed budget justification format no later than October 31, 2001, or 30 days after the enactment of this Act, whichever occurs later. The proposed format shall include how the Agency's budget justification will address: (1) estimated levels of obligations for the current fiscal year and actual levels for the two previous fiscal years; (2) the President's request for new budget authority and estimated carryover obligational authority for the budget year; (3) the disaggregation of budget data and staff levels by program and activity for each bureau, field mission, and central office; and (4) the need for a user-friendly, transparent budget narrative.

KYOTO PROTOCOL

SEC. 577. None of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol, which was adopted on December 11, 1997, in Kyoto, Japan, at the Third Conference of the Parties to the United States Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol. The limitation established in this section shall not apply to any activity otherwise authorized by law.

WEST BANK AND GAZA PROGRAM

SEC. 578. For fiscal year 2001, 30 days prior to the initial obligation of funds for the bilateral West Bank and Gaza Program, the Secretary of State shall certify to the appropriate committees of Congress that procedures have been established to assure the Comptroller General of the United States will have access to appropriate United States financial information in order to review the uses of United States assistance for the Program funded under the heading ''Economic Support Fund'' for the West Bank and Gaza.

INDONESIA

SEC. 579. Funds appropriated by this Act under the heading ''Foreign Military Financing Program'' may be made available for Indonesia if the President determines and submits a report to the appropriate congressional committees that the Indonesian government and the Indonesian armed forces are—

(1) taking effective measures to bring to justice members of the armed forces and militia groups against whom there is credible evidence of human rights violations;

(2) taking effective measures to bring to justice members of the armed forces against whom there is credible evidence of aiding or abetting militia groups;

(3) allowing displaced persons and refugees to return home to East Timor, including providing safe passage for refugees returning from West Timor;

(4) not impeding the activities of the United Nations Transitional Authority in East Timor (UNTAET);

(5) demonstrating a commitment to preventing incursions into East Timor by members of militia groups in West Timor; and

(6) demonstrating a commitment to accountability by cooperating with investigations and prosecutions of members of the Indonesian armed forces and militia groups responsible for human rights violations in Indonesia and East Timor.

MAN AND THE BIOSPHERE

SEC. 580. None of the funds appropriated or otherwise made available by this Act may be provided for the United Nations Man and the Biosphere Program or the United Nations World Heritage Fund.

CONSULTATIONS ON ARMS SALES TO TAIWAN

SEC. 581. Consistent with the intent of Congress expressed in the enactment of section 3(b) of the Taiwan Relations Act, the Secretary of State shall consult with the appropriate committees and leadership of Congress to devise a mechanism to provide for congressional input prior to making any determination on the nature or quantity of defense articles and services to be made available to Taiwan.

RESTRICTION ON UNITED STATES ASSISTANCE FOR CERTAIN RECONSTRUCTION EFFORTS IN CENTRAL EUROPE

SEC. 582. Funds appropriated or otherwise made available by this Act for United States assistance for Eastern Europe and the Baltic States should to the maximum extent practicable be used for the procurement of articles and services of United States origin.

RESTRICTIONS ON ASSISTANCE TO GOVERNMENTS DESTABILIZING SIERRA LEONE

SEC. 583. (a) None of the funds appropriated by this Act may be made available for assistance for the government of any country that the Secretary of State determines there is credible evidence that such government has provided lethal or non-lethal military support or equipment, directly or through intermediaries, within the previous six months to the Sierra Leone Revolutionary United Front (RUF), or any other group intent on destabilizing the democratically elected government of the Republic of Sierra Leone.

(b) None of the funds appropriated by this Act may be made available for assistance for the government of any country that the Secretary of State determines there is credible evidence that such government has aided or abetted, within the previous six months, in the illicit distribution, transportation, or sale of diamonds mined in Sierra Leone.

(c) Whenever the prohibition on assistance required under subsection (a) or (b) is exercised, the Secretary of State shall notify the Committees on Appropriations in a timely manner.

AMENDMENT NO. 56 OFFERED BY MR. PAYNE

Mr. PAYNE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 56 offered by Mr. PAYNE:

Page 119, line 24, after ''SIERRA LEONE'' insert ''OR ANGOLA''.

Page 120, line 6, after ''(RUF)'' insert '', or to National Union for the Total Independence of Angola (UNITA)''.

Page 120, line 8, before the period insert ''or the democratically elected government of Angola, as the case may be''.

Page 120, line 15, before the period insert ''or in Angola''.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from New Jersey (Mr. PAYNE) and a Member opposed each will control 5 minutes.

Mr. CALLAHAN. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman reserves a point of order on the amendment.

The Chair recognizes the gentleman from New Jersey (Mr. PAYNE).

Mr. PAYNE. Mr. Chairman, I yield myself such time as I may consume. I have an amendment on what I think is probably one of the most horrendous situations that has occurred for the past 40 years in a country that was the first African country to receive its independence back in 1956 from Britain. It is the country of Sudan. The country of Sudan has seen an estimated 2 million people die from famine and war-related issues. In 1998 alone, 100,000 people died because the National Islamic Front government denied United Nations humanitarian food to be delivered to the needy people in the south of Sudan.

More people have died in Sudan than in Bosnia, Kosovo, Somalia, and Congo combined. We have seen food being deprived from people. We have seen the fact that the Antonovs, which are old Soviet planes, fly over communities. I was there several times where we actually would watch the chickens because the chickens would hear the planes from long distances and the children would then run when the chickens started to move around and then the older people would know that the planes are coming, the bombs are coming, you try to get out of it. It is one of the most horrendous situations. Two million people.

All we are asking is that there be nonlethal equipment, that the people be allowed to have food, that they could protect themselves from the aerial bombings, that they could have some semblance of order. The fact is that this would go to the National Democratic Alliance which is made up of the people in the south who are in the process of trying to move along.

At this time we have a technical difference. I understand that we are on the other section. So we would ask that the Clerk would once again read the title.

POINT OF ORDER

Mr. CALLAHAN. Point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from Alabama will state his point.

Mr. CALLAHAN. One amendment was read. The gentleman was talking about the contents of another amendment. I think what he is doing now is trying to swap amendments, or I think he first has to through unanimous consent take this amendment that has been read from the table. But I will leave that decision to the Chair, naturally.

The CHAIRMAN. Does the gentleman from New Jersey ask unanimous consent for the Clerk to report the amendment that was designated earlier?

Mr. PAYNE. Yes.

The CHAIRMAN. Without objection, the Clerk will read the amendment which has been designated and which is pending.

Mr. CALLAHAN. Mr. Chairman, reserving the right to object, I will assume that the debate that took place on the previous amendment would suffice for the gentleman's argument on this amendment.

Mr. Chairman, with that understanding, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the Clerk will report the amendment which is currently pending.

There was no objection.

The Clerk read as follows:

Amendment No. 56 offered by Mr. PAYNE:

Page 119, line 24, after ''SIERRA LEONE'' insert ''OR ANGOLA''.

Page 120, line 6, after ''(RUF)'' insert '', or to National Union for the Total Independence of Angola (UNITA)''.

Page 120, line 8, before the period insert ''or the democratically elected government of Angola, as the case may be''.

Page 120, line 15, before the period insert ''or in Angola''.

Mr. PAYNE. Mr. Chairman, the reason for the confusion was that last night we requested that this particular amendment be withdrawn and that the previous resolution asking for UNITA to have any country doing business with them withdrawn. So this amendment we would ask to be withdrawn. That is why the confusion came about. With that, Mr. Chairman, I would ask that that amendment be withdrawn.

The CHAIRMAN. Is there objection to withdrawing the amendment offered by the gentleman from New Jersey (Mr. PAYNE)?

Without objection, the amendment is withdrawn.

There was no objection.

The CHAIRMAN. Are there other amendments made in order to this section of the bill?

Mr. CALLAHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. I thank the gentleman for yielding. I want to thank the chairman for all he has done to support basic education programs for children and for his work to improve the lives of families in developing countries, a topic of concern we both share.

My interest in international basic education stems from my conviction which I know the gentleman shares that education is the key to development. Providing basic education in developing nations advances hope for children, advances hope for families, advances hope for communities, and advances hope for the countries we are trying to help.

It also produces clear results. A baby who is born to a mother with just 4 years of education is twice as likely to survive as a baby with an utterly uneducated mother. Every additional year of schooling beyond grade four that a child receives leads to a 10 to 20 percent increase in wages. At a national level, increases in literacy of 20 to 30 percent have led to increases in a country's gross domestic product of 8 to 16 percent.

While we have made progress, there is a long way to go. There are 113 million children who will never go to school. Two-thirds of these are little girls. Another 150 million on top of 113 million who do not go at all will drop out before they get to the fifth grade. The vast majority of these dropouts are little girls. To address this problem, I believe we need to continue and expand our financial commitment to international basic education. Over the last several years, funding for basic education for children has been set at a cap of $98 million. Now, this year, thanks to the gentleman's leadership, the committee lifted the cap on the funding and increased funding by $5 million to $103 million from the child survival account. The gentleman recommended an additional $15 million be provided from the economic support fund.

Mr. Chairman, I would like this debate to reflect the gentleman from Alabama's thoughts on the record about the commitment to children's education.

Mr. CALLAHAN. Reclaiming my time, I thank the gentleman for his remarks. I look forward to working with him to support basic education for children. Naturally, I am supportive of that and I know the gentleman as well is supportive.

Mr. POMEROY. If the gentleman will yield further, I hope that as we continue the appropriations process the conferees would consider even increasing additional funds for basic education. Increasing the amount would bring us closer to our historic levels of funding for basic education. In the 1980s, now more than 10 years ago, U.S. support for education reached as much as $180 million. Five years ago, funding for basic education for children was $142 million. We are still well short of that, even with this important increase the gentleman has advanced.

I believe that funding will have to be increased further to meet the commitment that our country has made at the World Education Forum in Dakar, Senegal, to get every child in school by the year 2015. Today with more than 113 million out of school, another 150 million dropping out before grade five, it shows that we have to step up this commitment to meet this important goal. Following the Dakar meeting of world leaders, it is particularly important that this Congress show that it is part of the program, part of this international commitment. I look forward to working with the gentleman to make sure this happens.

The CHAIRMAN. Are there further amendments to this section of the bill?

If not, the Clerk will read.

The Clerk read as follows:

VOLUNTARY SEPARATION INCENTIVES

SEC. 584. Section 579(c)(2)(D) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2000, as enacted by section 1000(a)(2) of the Consolidated Appropriations Act, 2000 (Public Law 106–113), is amended by striking ''December 31, 2000'' and inserting in lieu thereof ''December 31, 2001''.

WORKING CAPITAL FUND

SEC. 585. Section 635 of the Foreign Assistance Act of 1961 (22 U.S.C. 2395) is amended by adding a new subsection (l) as follows:

''(l)(1) There is hereby established a working capital fund for the United States Agency for International Development which shall be available without fiscal year limitation for the expenses of personal and nonpersonal services, equipment and supplies for: (A) International Cooperative Administrative Support Services; and (B) rebates from the use of United States Government credit cards.

''(2) The capital of the fund shall consist of the fair and reasonable value of such supplies, equipment, and other assets pertaining to the functions of the fund as the Administrator determines, rebates from the use of United States Government credit cards, and any appropriations made available for the purpose of providing capital, less related liabilities.

''(3) The fund shall be reimbursed or credited with advance payments for services, equipment or supplies provided from the fund from applicable appropriations and funds of the agency, other Federal agencies and other sources authorized by section 607 of this Act at rates that will recover total expenses of operation, including accrual of annual leave and depreciation. Receipts from the disposal of, or payments for the loss or damage to, property held in the fund, rebates, reimbursements, refunds, and other credits applicable to the operation of the fund may be deposited in the fund.

''(4) The agency shall transfer to the Treasury as miscellaneous receipts as of the close of the fiscal year such amounts which the Administrator determines to be in excess of the needs of the fund.

''(5) The fund may be charged with the current value of supplies and equipment returned to the working capital of the fund by a post, activity or agency and the proceeds shall be credited to current applicable appropriations.''.

POINT OF ORDER

Mr. GILMAN. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GILMAN. Mr. Chairman, I make a point of order against the language appearing in the bill beginning with page 121, line 1, through page 122, line 12, on the ground that it violates clause 2 of rule XXI.

The rule I have referenced prohibits changes to law on general appropriations bills. This language amends the Foreign Assistance Act to authorize the establishment of a working capital fund for the Agency for International Development.

Mr. CALLAHAN. Mr. Chairman, we will be happy to concede the point of order.

Mr. GILMAN. I thank the gentleman for his concession. If I might continue with my statement.

The CHAIRMAN. The Chair will briefly hear the gentleman on his point of order, although the point of order has been conceded and the Chair is prepared to rule.

Mr. GILMAN. Mr. Chairman, may I revise and extend my remarks?

The CHAIRMAN. After the point of order, the gentleman may revise and extend his remarks.

Ms. PELOSI. Mr. Chairman, I wish to be heard on the point of order.

□ 1015

Ms. PELOSI. Mr. Chairman, on the point of order, and recognizing the request of the distinguished chairman of the committee, I have some concerns about this motion.

As the gentleman knows, no funds would be appropriated to establish the Working Capital Fund, but the creation of the fund would result in overall savings to the Federal Government. In several overseas locations other agencies have requested USAID to provide various types of administrative support to other agencies, because USAID can provide the support at the lowest cost to the Federal Government. So I hope that the gentleman is aware that this language in the bill is a savings for the Federal Government.

Without a Working Capital Fund, USAID has difficulty becoming a service provider, because we cannot separately account for funds received from other agencies and cannot carry the funds from one year to the next. The fund would also enable an agency to use rebates from prompt payment. This would be an incentive for greater use of credit cards and again save money.

Mr. GILMAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from New York.

The CHAIRMAN. The gentlewoman may not yield when discussing a point of order.

The Chair is prepared to rule. The Chair finds the provision directly amends existing law. Such provision constitutes legislation in violation of clause 2 of rule XXI. The point of order is sustained, and the provision of the bill is stricken.

Without objection, the gentleman from New York (Mr. GILMAN) may extend his remarks at this point in the record.

There was no objection.

Mr. GILMAN. Mr. Chairman, the Rule I have referenced prohibits changes to law on general appropriations bills. This language amends the Foreign Assistance Act to authorize the establishment of a working capital fund for the Agency for International Development.

The Administration, which evidently wants this provision, should have approached the Committee with legislative jurisdiction, the Committee on International Relations. Instead, the Administration engaged another Committee that lacks jurisdiction to amend the Foreign Assistance Act.

This is an unfortunate attitude and practice that we have seen from time to time in this and other Administrations and I regret that we

have to consume the time of the Appropriations Committee on this sort of matter in this way.

The Administration has not submitted a draft bill to our Committee, nor have they engaged our International Relations Committee in any meaningful way.

I do understand that the Committee on Foreign Relations in the other body has reviewed similar legislation on a working capital fund for the Agency for International Development and our Committee on International Relations would be happy to work with the other body and the Administration from here on out and see if this provision is meritorious.

Accordingly, Mr. Chairman, I must respectfully insist on my point of order.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CONTRIBUTIONS TO UNITED NATIONS POPULATION FUND

SEC. 586. (1) LIMITATIONS ON AMOUNT OF CONTRIBUTION.—Of the amounts made available under ''International Organizations and Programs'', not more than $25,000,000 for fiscal year 2001 shall be available for the United Nations Population Fund (hereafter in this subsection referred to as the ''UNFPA'').

(2) PROHIBITION ON USE OF FUNDS IN CHINA.—None of the funds made available under ''International Organizations and Programs'' may be made available for the UNFPA for a country program in the People's Republic of China.

(3) CONDITIONS ON AVAILABILITY OF FUNDS.—Amounts made available under ''International Organizations and Programs'' for fiscal year 2001 for the UNFPA may not be made available to UNFPA unless—

(A) the UNFPA maintains amounts made available to the UNFPA under this section in an account separate from other accounts of the UNFPA;

(B) the UNFPA does not commingle amounts made available to the UNFPA under this section with other sums; and

(C) the UNFPA does not fund abortions.

(4) REPORT TO THE CONGRESS AND WITHHOLDING OF FUNDS.—

(A) Not later than February 15, 2001, the Secretary of State shall submit a report to the appropriate congressional committees indicating the amount of funds that the United Nations Population Fund is budgeting for the year in which the report is submitted for a country program in the People's Republic of China.

(B) If a report under subparagraph (A) indicates that the United Nations Population Fund plans to spend funds for a country program in the People's Republic of China in the year covered by the report, then the amount of such funds that the UNFPA plans to spend in the People's Republic of China shall be deducted from the funds made available to the UNFPA after March 1 for obligation for the remainder of the fiscal year in which the report is submitted.

AUTHORIZATION FOR POPULATION PLANNING

SEC. 587. (a) AUTHORIZATION.—Not to exceed $385,000,000 of the funds appropriated in title II of this Act may be available for population planning activities or other population assistance.

(b) RESTRICTION ON ASSISTANCE TO FOREIGN ORGANIZATIONS THAT PERFORM OR ACTIVELY PROMOTE ABORTIONS.—

(1) PERFORMANCE OF ABORTIONS.—(A) Notwithstanding section 614 of the Foreign Assistance Act of 1961, or any other provision of law, no funds appropriated by title II of this Act for population planning activities or other population assistance may be made available for any foreign private, nongovernmental, or multilateral organization until the organization certifies that it will not, during the period for which the funds are made available, perform abortions in any foreign country, except where the life of the mother would be endangered if the pregnancy were carried to term or in cases of forcible rape or incest.

(B) Subparagraph (A) may not be construed to apply to the treatment of injuries or illnesses caused by legal or illegal abortions or to assistance provided directly to the government of a country.

(2) LOBBYING ACTIVITIES.—(A) Notwithstanding section 614 of the Foreign Assistance Act of 1961, or any other provision of law, no funds appropriated by title II of this Act for population planning activities or other population assistance may be made available for any foreign private, nongovernmental, or multilateral organization until the organization certifies that it will not, during the period for which the funds are made available, violate the laws of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited, or engage in activities or efforts to alter the laws or governmental policies of any foreign country concerning the circumstances under which abortion is permitted, regulated, or prohibited.

(B) Subparagraph (A) shall not apply to activities in opposition to coercive abortion or involuntary sterilization.

(3) APPLICATION TO FOREIGN ORGANIZATIONS.—The prohibitions and certifications of this subsection apply to funds made available to a foreign organization either directly or as a subcontractor or subgrantee.

(c) WAIVER AUTHORITY.—

(1) AUTHORITY.—The President may waive the restrictions contained in subsection (b) that require certifications from foreign private, nongovernmental, or multilateral organizations.

(2) REDUCTION OF ASSISTANCE.—In the event the President exercises the authority contained in paragraph (1) to waive either or both subsections (b)(1) and (b)(2), then—

(A) assistance authorized by subsection (a) and allocated for population planning activities or other population assistance shall be reduced by a total of $12,500,000, and that amount shall be transferred from funds appropriated by this Act under the heading ''Development Assistance'' and consolidated and merged with funds appropriated by this Act under the heading ''Child Survival and Disease Programs Fund''; and

(B) notwithstanding any other provision of law, such transferred funds that would have been made available for population planning activities or other population assistance shall be made available for infant and child health programs that have a direct, measurable, and high impact on reducing the incidence of illness and death among children.

(3) LIMITATION.—The authority provided in paragraph (1) may be exercised to allow the provision of not more than $15,000,000, in the aggregate, to all foreign private, nongovernmental, or multilateral organizations with respect to which such authority is exercised.

(4) ADDITIONAL REQUIREMENTS.—Upon exercising the authority provided in paragraph (1), the President shall report in writing to the Committee on Appropriations and the Committee on Foreign Relations of the Senate and the Committee on Appropriations and the Committee on International Relations of the House of Representatives.

AMENDMENT NO. 11 OFFERED BY MR. GREENWOOD

Mr. GREENWOOD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 11 offered by Mr. GREENWOOD:

Strike section 587 of the bill (page 124, strike line 4 and all that follows through line 15 on page 127).

The CHAIRMAN. Pursuant to the order of House of Wednesday, July 12, 2000, the gentleman from Pennsylvania (Mr. GREENWOOD) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GREENWOOD).

Mr. GREENWOOD. Mr. Chairman, I ask unanimous consent to share one-half the time allotted to my amendment with the gentlewoman from New York (Mrs. LOWEY).

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The gentlewoman from New York will control 15 minutes, and may yield time to other Members.

Mr. SMITH of New Jersey. Mr. Chairman, I would like to claim the 30 minutes in opposition.

The CHAIRMAN. The gentleman from New Jersey will control 30 minutes in opposition to the amendment.

The Chair recognizes the gentleman from Pennsylvania (Mr. GREENWOOD).

Mr. GREENWOOD. Mr. Chairman, I yield 1½ minutes to the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Chairman, I rise in strong support of the Greenwood-Lowey amendment, for the following reasons. Family planning reduces abortion, it is just that simple. People who go to receive advice on family planning oftentimes go first because they believe that they may be pregnant, and if you say that you may not offer abortion services, you are cutting a substantial amount out of the value of family planning because of the opportunity that people seek to get that advice.

Secondly, this particular provision in the bill prohibits even advocating for a change in the law. Indeed, the way it is written it even prohibits advocating a change in the law to outlaw abortion. Anybody who lobbies their own government in order to affect abortion no longer qualifies for assistance under the bill.

Third and last, this provision is an absolute prohibition on family planning, and it has a waiver, and this year the waiver was acceptable to me because the President would exercise that waiver. But particularly for prochoice Republicans, of whom I am one and my colleague from Pennsylvania is another, we do not know who will be

President next year, and if our candidate for President is the President next year, which is my desire, I have no assurance that he will exercise the waiver.

So let me repeat that to pro-choice Republicans: We have no guarantee that this waiver, which we were willing to accept last year as a compromise, will in fact be exercised should it be the Republican candidate for President elected. Accordingly, the law would stand, and the law is no money for family planning, because the groups in question cannot make the certification. We are voting today on Greenwood to restore family planning. It is that important, that simple, and that clear.

Mrs. LOWEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of this amendment which would strike the global gag rule from this bill. This anti-democratic policy forces NGOs in the developing world to sacrifice their right to free speech in order to participate in our family planning programs. While restricting foreign NGOs in this way may only offend our democratic sensibilities, if we tried to do this at home, it would be absolutely unconstitutional.

Section 587 of this bill severely damages our international family planning programs. The demand for these programs is much larger than our limited funds can meet, and section 587 imposes an arbitrary cap on family planning which is $156 million below the President's request.

Very simply, our family planning programs save lives. 600,000 women die each year of pregnancy-related causes that are often preventible. More than 150 million married women in the developing world want contraceptives, but have no access it them. Increasing access to family planning will save the lives of women and children and it will reduce the incidence of abortion worldwide. Striking this section will reduce the number of abortions performed each day. If you support this objective, you should support this amendment.

We need to consider the global gag rule within the overall context of U.S. foreign policy. What values do we want to export along with our foreign assistance? The gag rule says to our NGO partners abroad that we do not need to care about their rights, that freedom of speech, the very foundation of the American democracy, matters here, but it does not matter abroad, that our commitment to free speech and freedom of association, fixtures of our Constitution, end at our own borders. Is this the kind of message that we want to send?

Make no mistake, the United States is being watched. Each day Members on both sides of the aisle condemn violations of human rights abroad. Each day we debate whether the United States should associate at all with foreign regimes who refuse to embrace Democratic ideals. Our neighbors around the world look to us as the definitive authority on democracy.

The words of the director of a family planning organization that receives our funding sums up the severe damage that we do to our own credibility by incorporating an anti-democratic policy such as the gag rule into our foreign assistance program:

> We believe this requirement is profoundly anti-democratic and does a disservice to the legacy of the United States of America's fight for democracy. Democracy is nourished and strengthened by open debate and freedom of expression. Shackling the discussion of ideas impoverishes such public debate, and, in doing so, weakens democracy. We are now in the difficult position of having to choose between needed funding for an historic project on the one hand and essential democratic participation on the other. Either way, there is a cost to women's reproductive health and to democracy.

Mr. Chairman, if the oppression of ideas with which some do not agree and the use of economic power to crush dissent are ideals one thinks the United States should export, then vote against this amendment. But if believes, as I do, that the strength of our country lies in our unwavering commitment to democracy at home and abroad, then join us in voting yes to strike the global gag rule.

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

Mr. SMITH of New Jersey. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. GREENWOOD. Mr. Chairman, I yield 30 seconds to the gentleman from Indiana.

The CHAIRMAN. The gentleman from Indiana is recognized for 3½ minutes.

Mr. SOUDER. Mr. Chairman, this is clearly going to be an abortion debate. Others can try to turn it into recycling the old phrase about the gag rule, but this fundamentally an abortion debate, and whether those of us who strongly believe that abortion is taking the life of innocent children should have to pay, and in this question it is not for abortions in our country, but abortions overseas, whether we are going to export this doctrine of death.

I have worked hard in this Congress to fight against child abuse, to fight against domestic violence, to work for creative ways to stop violence in our schools. But it is hard to take a message to our young people that it is wrong to kill other young people, it is wrong to beat children, but if the child is in the womb, you can burn their skin off, you can cut them off, you can take the baby as they are coming out and hit them with a blunt object. Now, that is another form of violence.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. SOUDER. I yield to the gentleman from Pennsylvania.

Mr. GREENWOOD. Mr. Chairman, is the gentleman aware that since 1973 it has been against the law to use one dime of these funds for abortions overseas, that the Helms amendment of 1973 prohibits the expenditure of any of these funds for abortion?

Mr. SOUDER. Mr. Chairman, reclaiming my time, I am aware that we have directly banned abortion funding, but the question and what we have tried to address and what this language tries to address is fungible funding.

The argument of many of us is that in an organization that on the one hand does abortions, and on the other hand does family planning, which I as an individual do not oppose and believe many of these countries do in fact need family planning, that does not take life once life has begun, that these funds, even though they are claimed to be privately raised, are in fact fungible.

Mr. GREENWOOD. Mr. Chairman, if the gentleman will continue to yield, that is fine. Let us keep the debate honest and talk about fungibility. Let us not use language that implies that these funds can be directly used for abortion.

Mr. SOUDER. Mr. Chairman, I do believe and what my point is is that these funds can be used directly for abortion, because the money is commingled, and while there is a bookkeeping process, the fact is that the actual dollars that are used on abortion are fungible and can be used to commit these heinous acts, and that while we may have differences about the bookkeeping, the fact is that this argument is often used when we get into voucher debates by the other side, that to give aid to a private school is promoting religion because those dollars then are fungible and can be used back and forth.

You cannot have it both ways. You cannot argue that the Republicans use fungible money when we advocate vouchers, but it is not fungible when we deal with the abortion argument.

The second question on the gag rule, this is not a question of freedom of speech. This is a question of whether taxpayers' dollars can be used to fund certain types of speech, particularly in countries where they may oppose even family planning in addition to abortion.

For example, in one of the more celebrated cases in the Philippines, where they had laws on what type of population methods could be allowed, we used American taxpayer dollars to try to change laws that at least half of the Americans in a deeply split general public do not favor. Why in the world would it be exporting our beliefs of freedom and democracy to use American taxpayer dollars to undermine democracy in other countries where they have concluded, like in Ireland or the Philippines or whatever the case may be, that certain laws on abortion and population control are wrong?

Mr. GREENWOOD. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in strong support of the amendment offered by our colleague the gentleman from Pennsylvania (Mr. GREENWOOD) concerning the gag rule and other restrictions on family planning in this bill. Not only do family planning programs help millions by allowing poor women to space the birth of their children, it also saves lives and it is key to sound and sustainable development.

The most distressing aspect of the family planning language in this bill concerns the limits on free speech on organizations that provide much needed technical assistance to the poorest of the poor throughout the developing world. It is my conviction that freedom of speech is a fundamental American value that should be respected, not only in our own Nation, but overseas as well. Freedom of speech is an essential ingredient for democracy to thrive and it is critical to the success of sustainable development efforts promoted by our own Nation.

□ 1030

It is a principle that we wish to advocate throughout the developing world as an embodiment of the genius of the American Democratic experience.

Accordingly, limiting eligibility for U.S. development and humanitarian assistance by requiring foreign nongovernmental organizations to forgo their right to use their own funds to address, within legal and democratic processes, any issue affecting the citizens of their own country is abhorrent to the principles of American democracy and of those rights and privileges bestowed upon our people by our Constitution.

Accordingly, Mr. Chairman, I urge our colleagues to support the Greenwood amendment that incorporates the principles of American democracy and ensures that foreign nongovernmental organizations and multilateral organizations shall not be subject to requirements relating to the use of non-U.S. Government funds for advocacy and lobbying activities, other than those that apply to U.S. nongovernmental organizations receiving assistance under the Act.

I urge my colleagues to vote yes on the Greenwood amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, on Tuesday this House voted 416 to 1 to defend the Vatican from a vicious campaign of anti-Catholic bigotry by major pro-abortion organizations.

The list of groups who seek the Vatican's ouster from the U.N., which includes the International Planned Parenthood Federation based in London, Planned Parenthood Federation of America, and Pathfinder, to name a few, reads like a Who's Who list of groups lavishly subsidized by U.S. taxpayers.

Many of these groups, Mr. Chairman, aggressively promote abortion on demand in foreign countries. Members will recall that about 100 countries around the world protect the lives of their unborn children from the violence of abortion. If only the family planners would stick with family planning alone, we would not be here arguing this issue today.

I think we should make no mistake about it, this debate is about fat subsidies to the abortion industry. This debate is about how Congress dispenses grant money. This is grant money, I say to my colleagues. There is no entitlement spending involved here. This is grant money. This is discretionary funds.

We have an obligation and a duty, I would respectfully submit, to put conditions on it if we feel that it is warranted, and many of us, hopefully the majority of us, will feel that it is indeed warranted.

Mr. Chairman, abortion is violence against children. Earlier one of my colleagues talked about human rights. The most fundamental of all human rights is the right to life, to be free from violence. Chemically poisoning a child with a lethal injection or dismembering an unborn child by ripping his or her arms off the body, which is commonplace in abortion, is anything but benign and compassionate. It is violence against children. It is a gross violation of human rights. That is what this is about today.

Members will recall, Mr. Chairman, that the Mexico City policy is named after a U.N. Population Conference held in Mexico City in 1984. It was there that President Reagan announced that he would no longer contribute to organizations that perform or promote abortions. In its most effective and purest form, in place during the Reagan and Bush years, we generously supported family planning but withheld funds from organizations that promote or perform abortions.

The language in this bill is not the full Mexico City policy. I wish it were. The language in this bill is a compromise, and it is current law. From the pro-life perspective, this legislation is far from perfect. Although it begins by incorporating the pro-life Mexico City policy that was in force for 9 years under Presidents Reagan and Bush, it then gives the President the right to waive these conditions for some recipients. If the President chooses to exercise the waiver, up to $15 million in U.S. population assistance can go to foreign organizations that perform or promote abortions overseas.

The good news is that the remaining $370 million of our population assistance must either go to sovereign countries or NGOs that practice genuine family planning and not abortion.

Mr. Chairman, American taxpayers do not want their money going to groups that advertise themselves as family planners but in fact are performers and promoters of abortion around the world. Let us not forget, just a month ago there was a Los Angeles Times poll. It found that among all the women in the United States, when asked the question about abortion, 61 percent, of all women said that abortion was murder.

We hope through this legislation to put a very modest but necessary wall of separation between abortion and family planning, and restrict most U.S. funding of the abortion industry overseas.

Another part of the compromise, Mr. Chairman, transfers $12.5 million to high-impact child survival programs if the President authorizes money for the abortion groups. This provision will have a direct impact on saving children's lives. It will be spent on immunizations for polio and diphtheria, oral rehydration therapy for children at risk of death from diarrhea, and other easily preventable and treatable diseases that currently kill hundreds of thousands of children annually in developing countries.

In other words, this is a moderate, reasonable compromise in which each side gets something but each side also has to give something up.

Frankly, some of us on the pro-life side had seriously considered offering the original Reagan-Bush Mexico City policy. I certainly wanted to do it. I've done so each year since the mid-eighties. But the fact that this is current law—a sustainable compromise—we felt on balance was the best way to proceed. Again, this is a compromise.

This moderate amendment, Mr. Chairman, is already in the bill offered by the gentleman from Alabama (Chairman CALLAHAN). So everyone understands the process, the effect of the Greenwood amendment would be to allow unlimited funding of international abortionists and the abortion lobbyists.

Indeed, the amendment would not only strike the pro-life restrictions, it would eliminate the $385 million cap on U.S. spending for population assistance. This means that the administration could use any amount it wanted from the $1.3 billion development assistance account for taxpayer subsidies to the international abortion industry.

Mr. Chairman, advocates of international abortion rights have once again dredged up the tired old argument that the Mexico City policy is a gag rule that violates free speech. But even if U.S. constitutional provisions applied to foreign organizations doing

business on foreign soil, and the U.S. Supreme Court has said that they do not, the fact of the matter is free speech would not give these organizations a right to Federal dollars.

Organizations that represent the United States in foreign countries are analogous to our ambassadors. They are our people on the ground. They are surrogates for U.S. foreign policy. Their advocacy in these countries on issues closely related to the U.S. programs they administer, as well as to their other activities, such as the actual performance of abortions, is highly relevant to whether they can effectively administer these programs.

The United States, I would submit, has no obligation to administer these programs through agents who fundamentally disagree with this goal. For the same reason that we would not hire casino lobbyists to run international anti-gambling campaigns, or a distillery to run an anti-alcohol campaign, it makes no sense to hire abortionists or abortion lobbyists to run programs that they claim are aimed at reducing abortions.

Mr. Chairman, let me just conclude by saying supporters of the Greenwood amendment argue that our family planning grantees should be allowed to perform and promote abortion so long as their abortion-related activities are carried out with ''their own money'' rather than U.S. grant money.

Mr. Chairman, this is a bookkeeping trick. It ignores the fact that money is indeed fungible, and that when we subsidize an organization we inevitably enrich and empower all of its activities, as well as enhancing the domestic and international prestige of the organization by giving an official U.S. seal of approval.

Let me be clear on the important point: The Mexico City policy does not weaken international family planning programs. On the contrary, it strengthens them by ensuring that U.S. funds are directed to those groups that provide family planning but do not perform or promote abortion.

I urge a strong ''no'' on the Greenwood amendment.

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

Mrs. LOWEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentlewoman from California (Ms. PELOSI), the distinguished ranking member of this committee and a fighter for human rights and freedom around the world.

Ms. PELOSI. Mr. Chairman, I thank the gentlewoman for yielding time to me, and for her great leadership on this important issue.

Mr. Chairman, I rise in strong support of the Greenwood-Lowey amendment. I call upon our colleagues to vote for the motion to strike the restrictions in the bill because they erect barriers to the promotion of civil society abroad, the enhancement of women's participation in the political process, and the credibility of the U.S. in the international arena.

International family planning enables women and families throughout the world to make key choices affecting the quality of their lives and their future. Each year 600,000 women die of pregnancy-related causes, more than one woman every minute every day. So I support the move to strike those restrictions.

Mr. Chairman, I want to use the rest of my time to say what is not stricken in the bill, because I think it is very important for Members to know that what is still in the bill, which is law, states ''Provided further that none of the funds made available under this heading may be used to pay for the performance of abortion as a method of family planning, or to motivate or coerce any person to practice abortion, and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to or information about, access to a broad range of family planning methods and services, and that any such voluntary family planning shall meet the following requirements:''

It goes on to reiterate that no Federal dollars may ever be used for the performance of abortion abroad. These prohibitions are still contained in the bill. The motion to strike is strictly about the gag rule which, as I mentioned, erects barriers to women's full participation in the political process and the promotion of civil society abroad.

I offer that language because we have had questions about how far this strike was. It certainly does not strike the basic law. I urge our colleagues to support this very important amendment.

Mr. GREENWOOD. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank my colleague for yielding time to me.

Mr. Chairman, I want to make simply three points. First of all, under no circumstances can American dollars be used to fund abortions abroad, period. No matter what anyone implies on this floor, that is the law of the United States of America and it cannot happen.

However, I am stunned that representatives in this democracy would stand up on the floor and advocate that our policy be to force citizens of another country to break their own laws. That is simply unheard of and unconscionable.

If in another country abortion is legal and referral to people who can do abortions is legal, then we should not force native citizens of that country not to be allowed to say to a woman who comes in where they can go to get an abortion if it is a legal medical procedure in their country and they have a right to it.

Why would we in a free society want to force, as a consequence of American aid, citizens in other countries to abrogate their own laws? Have we no respect?

When I think of the worry on the floor of this House over the sovereignty issue when we get into trade matters, will the World Trade Organization impose its views on our laws, and the answer to that is no, we do not allow that, we do not allow international agreements to impose themselves in a way that contradicts our domestic law, yet that is exactly what this provision in this bill would do in terms of following U.S. money with a requirement for citizens in other countries to literally abrogate their law.

Let me tell Members why we really have to strike this provision. If a woman comes in and she is already pregnant and she wants a termination, and I am the health person, do Members really want me to say, ''I cannot say that word, so you will have to leave and go someplace else to talk to other people?'' No. We want to be able to say to that woman, look, maybe she does not have to have an abortion. Maybe she could carry this pregnancy because we can help her after that not to get pregnant again.

Because that is what we are trying to do: We are trying to teach family planning services. We are trying to give women the power to control their reproductive capabilities responsibly.

If she then says, ''No, I absolutely have to for a lot of reasons: I have 10 children, we cannot afford it,'' whatever it is, ''and if I cannot get it here, I will go to the back alley,'' do Members not think it is better for us to say, well, she can legally get a safe, clean abortion, and then come back and we will help her? Through the power of knowledge in a free society, we will help her prevent this and she will never again get in this position where she faces an unwanted pregnancy.

Contraceptives are the right answer to abortion. I urge a ''yes'' vote on the motion to strike.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself 40 seconds to respond briefly.

The plain text and the implementation by the Clinton administration and by the Reagan-Bush administrations proves that the Mexico City Policy has nothing whatsoever to do with counseling for abortions. That is not on the table, it is not being considered. As much as I would rather it be the case, it is not part of this amendment.

Secondly, the Mexico City Policy does provide for abortions for rape, incest, or life of the mother with their own funds.

Finally, the Policy reflects our intent that every effort to treat a woman

suffering from an incomplete abortion be done and is fully authorized by this amendment.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania (Mr. PITTS).

□ 1045

Mr. PITTS. Mr. Chairman, I rise to urge my colleagues to vote no on the proposed amendment, the Greenwood motion to strike.

The compromise language already in the bill is the result of long negotiations between this Congress and the President last year. At that time those of us in the House who believe in the sanctity of life felt strongly that no taxpayer money should be used to fund groups that perform or promote abortion or lobby for abortion laws overseas.

The President, needless to say, does not agree with our position; and so we did what we are supposed to do in the legislative process, we compromised. We did not get everything we wanted, and neither did the President.

Mr. Chairman, these negotiations took a long time and a lot of effort to produce the best possible result for all concerned. More to the point, the President signed it. To remove the compromise language would undo all of that hard work. Why reopen a controversy that has already been settled?

I would like to remind my colleagues that under the Reagan-Bush administration, international family planning funds were abortion free, and they got their yearly grants as long as they were abortion free. Most family planning organizations agreed to those conditions. Only two disagreed, one which is responsible for 200,000 abortions a year in the United States refused funds in order to continue their proabortion activities.

The second day after President Clinton was first inaugurated, he issued executive orders. One of the first executive orders he issued was the Mexico City reversal of the pro-life policies, and so the organizations through most of the Clinton administration have received their yearly subsidy with the ability to promote and perform.

Mr. Chairman, I would like to point out that removing this language is really a radical departure of the well being of the American people. The effect of this amendment would be to allow virtually unlimited funding to the international abortion industry and the abortion lobbyists. It would remove the cap of $385 million, which is the grant money they receive every year, and even the President says that abortions should be rare. A vote for this amendment is a vote to spend.

They could potentially spend up to $1.3 billion to promote abortion worldwide to lobby other governments against the abortion laws. This is not something the House should be voting for. More than half the nations of the world have laws restricting abortions.

Why should we use taxpayer money from the United States to fund international family planning and lobbyists? Who are we to be sending lobbyists into foreign lands to change policies of other governments that even the American people would not want? Being a superpower does not give us that sort of authority.

The Mexico City policy also recognizes that money is fungible: in one pocket, out the other. The U.S. taxpayers do not want their money going to organizations which do this.

Let us vote against this amendment and urge my colleagues to support the present language.

Mrs. LOWEY. Mr. Chairman, I am very pleased to yield 2 minutes to the gentlewoman from New York (Mrs. MALONEY), a leader on international family planning.

Mrs. MALONEY of New York. Mr. Chairman, I want to thank the gentlewoman from New York (Mrs. LOWEY), the gentleman from Pennsylvania (Mr. GREENWOOD), the gentlewoman from California (Ms. WOOLSEY), the gentlewoman from California (Ms. PELOSI), and many others for their leadership on this issue.

First and foremost, family planning helps prevent abortion. No U.S. dollars are used for abortions around the world. This amendment is about saving women's lives. It is about women dying to the tune of over 600,000 a year.

Mr. Chairman, while we are debating this motion to strike, over 65 women will die around the world from pregnancy-related causes. This safe delivery kit costs $1.25; yet it can mean the difference between life and death. Its contents are simple, a plastic sheet, a bar of soap, some gauze, a razor; yet in rural areas and emergency situations, this saves women's lives.

The language we are striking restricts the use of a foreign NGOs own funds. In America, this language is unconstitutional. Around the world, it is unconscionable.

The gag rule is enough to make us gag. It cripples foreign NGOs ability to practice democracy in their own countries. The United States has always been very proud of exporting what is best about our country, our ideals, democracy; but this bill exports one of the worst, if not the worst of our country, our own internal politics.

We cannot afford to stifle the international debate on family planning by tying the hands of NGOs with this antiwoman gag rule. It forces NGOs to choose between their own democratic rights, to organize and to determine what is best in their own countries and desperately needed resources of U.S. family-planning dollars.

This is not a choice we should be forcing on the women of the world, and many of the poorest countries that are often struggling democracies. I urge a yes vote on this important motion to strike.

First and foremost, this is not about abortion.

It's about women dying, to the tune of 600,000 a year.

And its about saving women lives. No U.S. federal funds have been are used or around the world for abortions.

During the time we are debating this amendment, 65 women will die from pregnancy related complications.

This kit, a safe delivery kit, is used around the world where women lack access to adequate health care facilities. It's contents are simple—a sterile sheet of plastic, on which the baby is delivered, a bar of soap, a sterile surgical blade, two rolls of umbilical tape, and cotton gauze bandages.

There few items are enough, to enable women in rural or emergency situations to deliver their babies in safe and sterile conditions.

These kits cost just $1.25, but their value is priceless. In some cases, these simple tools mean the difference between life and death.

The language in this bill says that a nongovernmental organization that receives US AID family planning funds cannot use it own funds to provide legal abortion services or to lobby for or against abortions. This language restricts the use of a foreign NGO's own funds.

In America, this language is unconstitutional.

Around the world, it's unconscionable.

The Gag Rule is enough to make you gag.

It cripples foreign NGO's ability to practice democracy in their own countries.

It cripples NGO's in countries like El Salvador, where abortion is illegal even if a woman will die as a result of the pregnancy.

The Gag Rule bars NGO's from even writing a letter to legislators supporting changes in laws to save women's lives.

Many opponents of international family planning like to refer to China's one child policy as a reason not to support programs in China.

But with the Gag Rule, not only will women and families not get the contraception and resources they need to plan their families, but NGO's will be silenced from lobbying their own government to change abortion laws.

International family planning is about the rights of women and men to decide freely the size of their families whether it be in India, Ecuador or China.

The United States has always been dedicated to exporting the very best of our country, from our ideas of freedom and democracy to products that help make life better.

Unfortunately, this bill exports one of the worst, if not the worst, of our country—our internal politics.

There is a terrible irony in all this. In the name of preventing abortion, this policy actually works to increases abortions.

Last year alone, with the Gag Rule in place, thousands of young women lacking information to prevent or postpone pregnancy underwent dangerous and often fatal abortions.

However, with US family planning funds at the President request, 2.2 million abortions can be prevented.

We can't afford to stifle the international debate on family planning by tying the hands of NGO's with an anti-women Gag Rule.

It forces NGO's to choose between their democratic rights to organize and determine what is best in their own countries and desperately needed resources of US family planning dollars.

This is not a choice we should be forcing on the poorest of nations who are often the ones with struggling democracies. Let's support this women of the world and provide the resources for them to make informed decisions, instead of exporting unconstitutional policies.

I urge my colleagues to vote "yes" and strike the onerous, anti-democratic Gag Rule.

Mr. GREENWOOD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, rigid ideological dogmatic rhetoric always turns logic on its head and always brutalizes the truth.

Let me describe reality outside of the realm of such dogmatic rhetoric. In March of this year, I traveled to India and to Bangladesh, and in those countries, I visited family planning clinics; and let me tell my colleagues what I saw.

We went to India, New Delhi, to one of the most terrifyingly brutal areas of poverty I have ever witnessed, down dirty roads filled with dung, poor children with their hands out, starvation, disease, flies everywhere, into a little brick clinic. In that clinic I saw impoverished Indian women on their knees getting a lecture about how to use family planning services.

Sometimes women in this neighborhood come to this clinic in search of an abortion. Why do they do that? They are not pregnant because of irresponsible sexual conduct. They are pregnant by their husbands, and they are there sometimes desperate for an abortion because they have already more children than they can feed, and they tire of watching their children starve to death.

Abortion is not their first choice; it is their last choice. In my vision, when those women, as the gentlewoman from Connecticut (Ms. JOHNSON) said, come in such desperate straits to that clinic, I want American dollars, small amounts of American dollars to be used there to say to that woman, you have had several abortions, there is a better way. We have family planning services available to you, so you need not again become pregnant when you cannot feed the children at your breast as it is, and your body suffers from hemorrhaging because you have had too many pregnancies too closely spaced together.

The impact of the language that we are trying to strike is to make this situation worse, because the President will exercise the waive, and $12.5 million that could have been spent for family planning to prevent the 1,600 women from dying every hour, to prevent the millions of children from starving around the world, to prevent the millions of abortions that happen for lack of these services. Some of that money will be cut, and women in places like India and Bangladesh and around the world will not get these services, and some of them will die. Many of them will have abortions, and many of them will give birth to children who will starve to death. That is the result of what is happening on the floor today.

It is unconscionable, and it happens every time Members of Congress try to impose their own personal religious beliefs on the women of the world. It is wrong, and it is un-American; and it should not stand.

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

Mr. SMITH of New Jersey. Mr. Chairman, I yield 2 minutes to the gentlewoman from North Carolina (Mrs. MYRICK).

Mrs. MYRICK. Mr. Chairman, I rise in opposition to this amendment that would allow up to $1.3 billion to subsidize international abortion clinics, and it would also undermine foreign countries' laws on abortion.

Congress has repeatedly banned the use of funds, taxpayer dollars to pay for abortions within our own borders, except when the life of the mother is endangered or in cases of rape and incest.

Money is fungible. Any organization that is involved in international family planning efforts and performs abortions and lobbies to increase legal access to abortion on demand should not receive taxpayer dollars.

To these organizations, abortion is a form of birth control. Mr. Chairman, abortion is not a method of birth control. Once a baby is conceived, instead of asking taxpayers to fund an abortion, we should focus our efforts on making sure that the child survives.

At the Beijing +5 conference held last month, the international community made a clear statement that abortion on demand is not a universal goal. The United States should not be funding efforts to change the abortion laws in other countries.

Mr. Chairman, I urge my colleagues to vote against this amendment.

Mrs. LOWEY. Mr. Chairman, I yield 1 minute to the gentlewoman from New York (Ms. SLAUGHTER), a distinguished leader on women's health.

Ms. SLAUGHTER. Mr. Chairman, I have been appalled time and time again by the audacity of antichoice legislators to restrict women's reproductive options in the United States and worldwide. This annual right of, quote, "we will show the women who is boss," end quote, legislation has allowed millions of women to die in the Third World.

Mr. Chairman, we stand here every year; and we say 600,000 women die every year, and nobody bats an eyelash. Do not tell me that a poll of people in the United States would approve of that. If the question asked on that poll is would you like the international family planning law of the United States to allow 600,000 women to die, we would get a far different answer.

The problem is that the harshest lesson that people learn about us is that we will allow them to die. Nothing else that we do in foreign aid, nothing else purposefully allows women to die.

The truth of the matter is we will never hear a word here about the woman herself, because mothers do not matter. The children that she leaves motherless at home, they do not matter. The fact that there are unsanitary conditions in which they live do not matter. What matters is the policy and beliefs of some Members of this House, and I urge my colleagues to vote yes on the motion to strike.

Mr. SMITH of New Jersey. Mr. Chairman, I reserve the balance of my time.

Mr. GREENWOOD. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Chairman, I rise in strong support of the Lowey-Greenwood motion to strike section 587, relating to the global gag rule and limiting vital U.S. assistance for voluntary international family planning.

I am a firm believer in voluntary international family planning. Let me make this clear. International family planning prevents abortions. I do not think anyone can dispute that.

The global gag rule is dangerous because it prevents U.S. funds from reaching critical health care providers in developing nations and dictates how these NGOs can spend funds from other donors besides the U.S. government. We have every right to decide policy for U.S. funds, but not for other nations and private donors. In fact, no U.S. dollars can be used to perform abortions overseas.

Mr. Chairman, I support this prohibition. It is up to the governments and citizens in these nations to decide their own policies. In Malawi, in sub-Saharan Africa, which I recently visited, I witnessed how villagers from miles around used one central health care facility for all of their needs. These people have no options.

If the U.S. fails to fund them, they cannot use the hospital down the road. This is literally one-stop health care shopping with no alternatives. If it is not funded, women will have no access to contraception or any other health care and neither will their families.

Mr. Chairman, I am also opposed to the global gag rule because it is patently undemocratic. If such restrictions were placed on NGOs here, they would be a clear violation of the first amendment.

How can we claim to export democracy when we export limitations on free speech? Mr. Chairman, this is no compromise. This is legislation placed into an appropriations measure, despite the Republican leadership's claim

that they would accept no controversial riders.

Mr. Chairman, I think the number of Members on the floor today clearly demonstrates the controversy surrounding this issue. And to call it a compromise when it took holding vital U.N. funding hostage, placing U.S. national security at risk to get the administration to let it in is disingenuous, misleading and downright preposterous.

Mr. Chairman, I urge my colleagues to support the Lowey-Greenwood amendment.

□ 1100

Mr. SMITH of New Jersey. Mr. Chairman, I yield 3¾ minutes to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman from New Jersey for yielding me this time.

Mr. Chairman, I rise in strong opposition to this amendment and any amendment that would strike the agreed-upon language in section 587 of the Foreign Operations appropriations bill.

Last fall, for the first time during his term, the President signed legislation to restrict the use of United States taxpayer dollars to groups that perform or promote abortions overseas. This version of the so-called ''Mexico City policy'' allowed no more than $15 million of United States population assistance funds to go to foreign organizations that promote or perform abortions overseas.

This amendment proposed today would strip that language that the President signed into law last year and allow almost unlimited United States taxpayer subsidies of the international abortion industry.

Now, I know my colleagues on the other side are fond of saying that no United States dollar goes to that purpose, but as we all know, that is an accounting maneuver. This is just another attempt by the pro-abortion side, I believe, to promote their agenda and to create, furthermore, gridlock over this contentious issue of funding for international abortion-related organizations.

The language that this amendment seeks to strike was agreed upon by both sides last year to resolve a stalemate. Unfortunately, the pro-abortiion side is unwilling to accept anything other than a total victory for the international abortion industry.

What my colleagues will not acknowledge is that section 587 does not weaken international family planning programs. Rather, it strengthens them by ensuring that United States funds are directed to those groups that provide family planning but not to those who perform abortions or promote abortion as a form of birth control.

Furthermore, it would restrict funding to those organizations that seek to overturn the pro-life laws of more than 100 countries overseas, clearly something that the vast majority of United States taxpayers do not want to see their taxpayer funds being used for.

Abortion is not birth control, and the taxpayers should not be forced to pay for it.

This is a bad amendment, and I encourage my colleagues to vote against it and any other amendment that threatens the language now included in the Foreign Operations appropriations bill.

It has been said that some of the people on this side of this argument are motivated primarily by religious arguments. As a physician who has personally witnessed an abortion, I do not know how anybody could support abortion after actually seeing one with their eyes. I do not think this is a religious debate. It is certainly a moral debate. It is certainly a debate about what is the appropriate use of United States taxpayer dollars when one considers that millions of Americans feel very strongly that abortion is murder, that this is a very, very reasonable policy for us to have in the bill, and that it is very inappropriate for it to be overturned.

Mrs. LOWEY. Mr. Chairman, striking this language would be a victory for women and children and democracy around the world.

Mr. Chairman, I am pleased to yield 1 minute to the gentlewoman from California (Ms. LEE), a fighter for democracy.

Ms. LEE. Mr. Chairman, first, let me just thank the gentlewoman from New York for yielding me this time and for her strong leadership on behalf of the families throughout the world.

Mr. Chairman, I rise in strong support of this amendment today to strike the global gag rule which denies United States family planning assistance to any overseas organization that uses its own non-United States funds to provide abortion services or reproductive choice advocacy.

Approximately 600,000 women die each year from preventable complications related to pregnancy and childbirth. Complications are the leading cause of death and disability among women between the ages of 15 to 49 in developing countries.

Now, most of these women are poor, and many have infectious diseases such as HIV or AIDS and are struggling just to survive day by day.

Now, this amendment does not require United States foreign aid funds to be used for abortions. Women throughout the world should have fundamental access to health care and family planning services and health education.

Support for this amendment means saving lives, promoting women's and children's health. To do less is fundamentally undemocratic and morally wrong.

The CHAIRMAN. The Chair would inform Members that the gentleman from New Jersey (Mr. SMITH) has 10¼ minutes remaining. The gentleman from Pennsylvania (Mr. GREENWOOD) has 2½ minutes remaining. The gentlewoman from New York (Mrs. LOWEY) has 5 minutes remaining. The gentleman from Pennsylvania (Mr. GREENWOOD) has the right to close debate.

Mr. SMITH of New Jersey. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina (Mr. DEMINT).

Mr. DEMINT. Mr. Chairman, I rise in opposition to this amendment, which would undermine the values in human rights in other countries.

Our current law is designed to prevent taxpayer funds from being used to undermine the values of foreign families by subsidizing organizations which work to undermine pro-life laws that are already in place. This proposed amendment would change this good law.

As legislators, we have the tremendous responsibility of being in charge of other people's money. The dollars we spend do not belong to us. They are the result of hard work of people throughout this land. How we spend these dollars is a decision which is entrusted to us with the effects reaching all around the globe.

Mr. Chairman, Americans value human life, and how we spend our dollars reflects these values. We work to end violence and bring peace throughout the world and promote women's health. Yet, without the foreign family value protections that are in our current law, we would be asking the United States taxpayer to subsidize organizations from the international abortion industry.

Organizations who actively lobby to overturn laws that protect the unborn in other countries do not deserve the subsidies of the United States taxpayers. We support life and health, not death and destruction.

Laws which recognize the sanctity of human life and restrict abortions are currently in place in approximately 100 countries throughout the world.

If this amendment passes, laws that protect unborn children in countries like the Philippines, Nepal, Ghana could be in jeopardy because organizations which promote abortion abroad and lobby to change pro-life laws will be receiving funding from United States taxpayers.

Mr. Chairman, abortion is already a hotly debated topic at home. There is certainly no agreement here. But with no agreement here at home, how can we use taxpayer dollars to try to change laws about abortion in other lands. This makes no sense.

This is not about poor people doing family planning. This is about giving taxpayer dollars to men and women in suits and skirts who are lobbying to

change laws that reflect the values of other countries.

I urge my colleagues to oppose this amendment and support our current law, which honors the values of foreign families and their governments.

Mrs. LOWEY. Mr. Chairman, I am pleased to yield 1 minute to the gentlewoman from California (Ms. WOOLSEY), who has been a fighter for women's rights around the world.

Ms. WOOLSEY. I rise, Mr. Chairman, in strong support of the motion to strike this gag rule from this bill, because congressional support for reproductive health services in developing countries becomes more important every day.

Voluntary family planning services increase child survival, promote safe motherhood, and give women around the globe the help they need to control their lives. Without international family planning, women in developing nations face more unwanted pregnancies, more poverty, and more despair.

Mr. Chairman, it is ironic that the same people who deny women the choice of an abortion also seek to eliminate support for family planning programs. These are the programs that reduce the need for abortion. These same people would not allow organizations that participate in family planning programs to use their very own funds to provide information and services to women around the globe.

Give women around the world the help they need and vote for the Greenwood-Lowey amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas (Mr. RYUN).

Mr. RYUN of Kansas. Mr. Chairman, I rise in opposition to the anti-Mexico City policy amendment and in support of the rights of United States citizens to refuse to subsidize the taking of lives of millions of unborn children throughout the world.

This amendment has nothing to do with the intended purposes of the international family planning. It has everything to do with promoting United States taxpayer-funded abortions.

Mr. Chairman, last November, President Clinton accepted a compromised version of the Reagan-Bush Mexico City policy, which followed the precedent that taxpayers' funds should not be used to pay for abortion services.

The compromise capped population assistance at $385 million and allowed $15 million to be used for abortion services or given to agencies that conducted abortion services. This year's Foreign Operations appropriations bill contains the same language that was agreed to last year. More importantly, it reinforces our overseas population assistance efforts to the original intent, to teach individuals the concept of responsible family planning so we could reduce the number of abortions by reducing the number of unplanned pregnancies.

This compromise is not perfect. It does not honor our long-standing tradition of not forcing United States taxpayers to subsidize abortion services for others when they have a moral or religious objection to it. It did, however, move us back in that direction. Now some Members want to undo the compromise that took 7 years of an administration to achieve.

Some of us would like to see all funding for foreign abortion services zeroed out. I am strongly pro-life and believe that every life deserves protection. I do not believe the taxpayers should ever be forced to pay for abortion services. But I am now here today to offer such an amendment because we believe we should honor the spirit of the compromise we reached last year.

Mr. Chairman, not only would this amendment strike the compromise of population assistance, but it would strike the transfer of $12.5 million to further child survivor programs should the administration choose to fund abortion services.

I urge a no vote on this amendment.

Mrs. LOWEY. Mr. Chairman, I am very pleased to yield 1 minute to the distinguished gentlewoman from Texas (Ms. JACKSON-LEE), a member of the Committee on the Judiciary, who understands that respecting our constitution here and abroad is an important obligation of Americans.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me urge an enthusiastic vote for the Greenwood-Lowey amendment. Let me agree with the distinguished gentleman from California who has indicated that we do not know what will happen after this Presidential election if the present candidate for the Republican nomination is elected as it relates to pro-choice at all, the opportunity to choose.

But the most important issue we have here today is that the language that this amendment seeks to strike would prohibit family planning, I remind my colleagues what I have said, family planning for poor women around the world, simply the opportunity to be educated about their own body.

I, too, joined the President in going to Bangladesh and India and Pakistan. What an enormous experience to see a family planning clinic that was not destructive or devastating, but was uplifting and educating women and men and families, and it was uniting families, and it was getting men to respect women and women to respect men and to work as mothers and fathers to provide the best for children that they have.

How can we here in the United States Congress deny that very real opportunity that each and every one of us have? We have a right to choose here. Allow those who are neighbors who are fighting for democracy to do the very same thing.

Mr. GREENWOOD. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Chairman, I intend to put a question to the gentleman from New Jersey (Mr. SMITH) if I might have his attention. There is not a dime in this bill that will go for an abortion. But we have heard from the other side that money is fungible and so that the money that otherwise might be freed up could be seen for abortion.

The United States allocates more or close to $1 billion every year in economic aid to Israel. Abortion is legal in Israel, and, in some cases, the government of Israel will fund poor women abortions.

How can the gentleman from New Jersey (Mr. SMITH) support money for economic aid to Israel if he really believes the fungibility argument?

Mr. Chairman, I yield to the gentleman from New Jersey (Mr. SMITH).

□ 1115

Mr. SMITH of New Jersey. Mr. Chairman, let me just say there is at least, hopefully, only one government per country, whereas there is a myriad of NGOs—a large number of NGOs, NGOs that are trying to lobby governments to topple pro-life laws. That is what we are talking about.

Way back in 1984 we accepted a compromise to fund countries, again, because there is only one government per country.

But when we talk about a nongovernmental organization, if this nongovernmental organization does not take the money, another will step up to the plate and procure the grant.

Mr. CAMPBELL. Mr. Chairman, reclaiming my time, I would ask the gentleman if it is fungible in the case of Israel?

Mr. SMITH of New Jersey. If the gentleman will continue to yield, I do not think so.

Mr. SMITH of New Jersey. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama (Mr. ADERHOLT).

Mr. ADERHOLT. Mr. Chairman, today, of course, we are considering H.R. 4811, the fiscal year 2001 foreign operations appropriations bill, and I rise in strong opposition to the amendment at hand.

This bill includes language carried over from last year's bill, as has already been discussed. This language was a carefully crafted compromise which limits the amount of funding that can be distributed to foreign organizations that perform or promote abortions overseas. This amount was capped at $15 million. Of course, that is $15 million more than we would like to have seen; however, the agreement prevented hundreds of millions of dollars more from going into the abortion industry.

The compromise also transfers $12.5 million to child survival programs if the President approves any U.S. subsidies for foreign abortion providers or promoters. This transfer would have the direct tangible effect of saving the lives of children around the world through immunization and oral rehydration therapy. These measures would prevent or treat diseases that currently take the lives of hundreds of thousands of innocent children every year.

The proposed amendment would strike this language and allow up to $1.3 billion in U.S. funds to flow freely to the international abortion industry. This is of great concern to me personally, and I believe that it should not be allowed. Economic development and health care are how to help families in other countries, not the funding of groups that have performed abortions in the name of birth control.

I sincerely request my colleagues to join with me today in opposing this amendment and reaffirming the Mexico City policy compromise that we agreed to and passed into law last year. The language currently in the bill will save the lives of countless children around the world, both born and unborn.

Mrs. LOWEY. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY), one of my colleagues who was also on that trip to India and saw the abject conditions that these men, women, and families are living in.

Ms. SCHAKOWSKY. Mr. Chairman, as a new Member, I have to admit that I really did not understand until I got here how dramatically what we do here affects, for better or for worse, in the most intimate ways, the lives of men and women and children every single day in all parts of the globe.

We are the only superpower in this world, and our capacity right now to do good in the face of starvation and disease and poverty is so great that it makes me weep with frustration that we are doing so little. But I am truly overwhelmed by the audacity that we would use our great power to require the clinics like we saw, the gentleman from Pennsylvania (Mr. GREENWOOD) and the gentlewoman from New York (Mrs. LOWEY) and the gentlewoman from Texas (Ms. JACKSON-LEE), to certify that they will not, with their own non-U.S. dollars, conduct any activity related to abortions so that they can control their own families and take care of the children that they have.

It is on behalf of those men and women and children that I urge support for the motion to strike.

Mrs. LOWEY. Mr. Chairman, I yield 1 minute to the gentlewoman from the District of Columbia (Ms. NORTON), a woman who has been fighting for equal opportunity, democracy in the United States and around the world, and who understands the importance of striking this antidemocratic amendment.

Ms. NORTON. Mr. Chairman, I thank the gentlewoman for yielding me this time.

I ask Members to stand back for a moment from the gag rule. Seldom have so many violations of cardinal American principles, which enjoy overwhelming support and respect in our own country, been embodied in one law.

Look at what is at stake here: free speech, female and family sexual autonomy, baseline protection of pregnant women and the most vulnerable children, reduction of abortions around the world. It is impossible to believe that any American would force on foreigners what no Member could or would do in our own country.

The direct effect between suppression of speech and its effects is not always apparent. We must not allow this cut-off-your-nose-to-spite-your-face gag rule to reap what it will sow in maternal and infant deaths, high-risk and unintentional pregnancies, escalated and unnecessary rates of abortion.

Support American principles, vote for the Greenwood-Lowey amendment.

Mrs. LOWEY. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. NADLER), a distinguished Member of the Committee on the Judiciary who truly understands that we cannot do unto others what we would not do unto our own NGOs at home.

Mr. NADLER. Mr. Chairman, this bill would place an international gag rule on organizations that use their own non-U.S. supplied funds to provide abortion services, or even to refer people or to mention abortion services.

The American people support family planning and realize that it is necessary, successful, and addresses a critical need. Nearly 600,000 women a year die of causes related to pregnancy and childbirth, and more than 150 million married women in the developing world want contraceptives but have no access to them. International family planning efforts have been remarkably successful and have saved women's lives, improved women's health, and reduced poverty.

It is shocking that proponents of the so-called Mexico industry restrictions claim that these family planning programs increase the number of abortions when, in fact, it is clear that these efforts have prevented more than 500 million unintended pregnancies. The Mexico City restrictions are pernicious, unnecessary, and harmful. They would severely limit family planning efforts and result in more unwanted pregnancies, more fatalities among women, and more abortions. They are a clear restriction on free speech which we would never tolerate in this country. Why should America export restrictions on free speech?

Mr. Chairman, this bill would place an international gag rule on organizations that use their own non-U.S. funds to provide abortion services. This policy is clearly unacceptable, and is not supported by the President or by the American people. Last year, in a repugnant effort that held UN dues payments hostage to family planning restrictions, we were forced into an unworkable compromise. We cannot allow this to happen again. We must remain strong and oppose the global gag rule that threatens women's lives.

The American people support family planning and realize that it is necessary, successful, and addresses a critical need. According to the World Health Organization, nearly 600,000 women die each year of causes related to pregnancy and childbirth, and more than 150 million married women in the developing world want contraceptives, but have no access to them.

International family planning efforts have been remarkably successful and have saved women's lives improved women's health, and helped reduce poverty. I am shocked that proponents of these so-called "Mexico City" restrictions claim that our family planning programs, increase the number of abortions, when, in fact, studies show that these efforts have prevented more than 500 million unintended pregnancies.

There is no need to impose this type of gag rule on organizations that use their own money to further their objectives and to make women's lives safer. The "Mexico City" restrictions are pernicious, unnecessary, and harmful. They severely limit family planning efforts and result in more unwanted pregnancies, more fatalities among women, and more abortions. They are a clear restriction on free speech. What an American export. I urge my colleagues to support this amendment. Thank you.

I urge my colleagues to support this amendment.

Mr. SMITH of New Jersey. Mr. Chairman, may I inquire if the only remaining speaker will be the gentleman from Pennsylvania (Mr. GREENWOOD) after myself.

The CHAIRMAN. All the time of the gentlewoman from New York (Mrs. LOWEY) has expired.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself the balance of our time.

Mr. Chairman, a moment ago we heard the golden rule espoused, "do unto others as you would have them do unto you." Well, let me just suggest that what we are trying to do with our foreign policy is to have a consistent ethic of life, of protecting mothers and babies and not sacrificing the children. To treat "others" with respect, dignity and compassion. And that includes unborn babies. You can't cherry pick the gold rule.

Earlier the word brutalizing was used by my friend from Pennsylvania. It is the baby, I would respectfully submit, who is brutalized in an abortion. Again, we are trying to promote a consistent ethic that affirms both mother and child.

I take a back seat to no one, as a Member of this body for the last 20 years, in promoting maternal health

care both domestically and abroad. As a member of the Committee on International Relations, I have offered amendments to boost spending to help women be healthier in the developing world.

Earlier, the gentlewoman from New York (Mrs. MALONEY) talked about the Mexico City Policy as being antiwoman. Nothing could be further from the truth. This policy is pro-life, pro-mother, and pro-child, and absolutely not antiwoman. Such a charge is absolutely ludicrous. If Mrs. MALONEY's charge was accurate, then the majority of the women in America are antiwoman. The LA Times poll that I mentioned earlier, found that 61 percent of all the women in America believe abortion to be murder, 61 percent of the women in America are not antiwoman. It just does not follow logic, and I think hurling such statements at us, it degrades the level and caliber of our debate.

Mr. Chairman, advocates of this pro-abortion amendment keep telling us over and over again that we should subsidize foreign abortionists and abortion lobbyists so long as they do not use U.S. dollars for the actual abortions and the actual lobbying. But this ignores the real effect of subsidizing the international abortion industry. These groups are the partners and the representatives of the U.S. Government in the countries where they operate.

Do my colleagues think the average poor person in Peru or Nigeria has any idea what the financial records look like from these organizations? All they know is that these groups are representing the United States and they are performing and promoting abortions. They have no way of knowing which dollars are paying for which activities. They do not ask for an accounting exercise. So they get the strong message that the U.S. family planning program is about exporting abortion on demand, pushing abortion on poor people around the world.

Mr. Chairman, this is not just a hypothetical possibility. These are the facts on the ground in country after country throughout the developing world. The largest U.S. population grantees are also the most prominent and vigorous advocates of abortion on demand. What a profound tragedy. The Greenwood amendment would make this situation even worse by removing any limits at all on U.S. subsidies for the international abortion industry. I urge a ''no'' vote.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, just to echo the arguments eloquently made by the gentleman from New Jersey.

I want to encourage my colleagues to vote against this amendment and remind them that this is the very same legislation currently in the bill that passed last year and was signed into law by the President, and, of course, ratified by the Senate.

So all Members have to do is look at their voting record last year to see how they voted. The House overwhelmingly voted for this last year, and I would encourage all of our colleagues to vote against the Greenwood amendment which strikes last year's language.

Mr. GREENWOOD. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I once heard an old African American woman, much wiser I think on this issue than anyone who has spoken in this Chamber today. She lived through the time when abortion was illegal in the United States. And she said that when a woman knows in her heart that it is right to have a child, she will risk her life to have that child; and when she knows in her heart that it is wrong for her to have that child, she will risk her life not to have that child.

Women have sought abortions legally and illegally all over this world for as long as we can remember. They do so under the most desperate circumstances. In Bolivia, not too long ago, it was not only illegal to have an abortion, it was illegal to seek family planning services. And when they did a survey of their hospitals in Bolivia, they found that 50 percent of the beds were occupied by women suffering from botched illegal abortions.

That is what this language does. The language that we move to strike promotes abortion in the name of limiting abortion. That is the twisted logic. It sacrifices the lives of young women, and it sacrifices the lives of little children on the altar of blind rigid dogma. It is the logic that says we must burn to purify. That logic has been wrong throughout history every time it has been applied. Millions have suffered from that blind brutal logic.

That is the moral low ground. We stand on the moral high ground. I urge the Members of the Congress to use their hearts and their minds and put aside the politics of this issue for the moment; put aside the pragmatism of moving this bill, and adopt the Greenwood amendment.

The CHAIRMAN. All time for debate on this amendment has expired. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GREENWOOD).

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentlewoman is not permitted under the order of the House to strike the last word while an amendment is pending. The gentlewoman may ask unanimous consent that both sides have additional time.

Ms. PELOSI. I ask unanimous consent, then, Mr. Chairman, to extend the time.

The CHAIRMAN. For what period?

Ms. PELOSI. For 5 minutes on my side, but pleased to yield 5 minutes to the other side as well.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

Mr. CALLAHAN. There is objection, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Ms. PELOSI. Mr. Chairman, I would just like to request reconsideration by the distinguished chairman of the motion to request 5 more minutes.

□ 1130

Mr. CALLAHAN. Mr. Chairman, if the gentlewoman would yield, as she knows, we have established these boundaries on these amendments.

The CHAIRMAN. If the gentlewoman from California (Ms. PELOSI) would renew her request, the gentleman may reserve the right to object for a brief colloquy.

Ms. PELOSI. Mr. Chairman, I rise to strike the last word.

The CHAIRMAN. The gentlewoman may not strike the last word.

Ms. PELOSI. Mr. Chairman, I ask unanimous consent to address the House for 5 minutes. What can I do, Mr. Chairman?

The CHAIRMAN. The gentlewoman renews her unanimous consent request to add 5 additional minutes to both sides, the gentleman from Alabama (Mr. CALLAHAN) reserves the right to object and is recognized under his reservation.

Mr. CALLAHAN. Mr. Chairman, I reserve the right to object.

Ms. PELOSI. Mr. Chairman, I rise to request the extension of the time so that I can yield time to the distinguished Democratic leader for the 5 minutes so he can speak to the issues that we have been speaking to this morning, and I respectfully request the cooperation of the chairman in that regard.

Mr. CALLAHAN. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California (Ms. PELOSI)?

There was no objection.

The CHAIRMAN. Five additional minutes will be added to each side of the debate. The gentlewoman from New York (Mrs. LOWEY) will control 5 additional minutes, and the gentleman from New Jersey (Mr. SMITH) will control 5 additional minutes.

Mrs. LOWEY. Mr. Chairman, I am very pleased to yield 5 minutes to the gentleman from Missouri (Mr. GEPHARDT) the distinguished leader.

Mr. GEPHARDT. Mr. Chairman, I thank the gentlewoman from California (Ms. PELOSI) and the gentlewoman from New York (Mrs. LOWEY) and I thank the chairman for allowing this additional debate to go on.

Mr. Chairman, I rise in strong support of the Lowey-Greenwood amendment. The inadequate funding and restrictions on our international family

planning assistance in this bill should be rejected. And that is only one of the many glaring flaws in this bill that I hope we can correct this afternoon.

As we heard so eloquently last night, the funding in this bill for debt relief is clearly inexcusable. With the funding provided in this bill, governments in developing nations will continue to stagger under huge loads of debt. Millions of people in Africa, South America, Central America will be deprived of much needed education, health care and development. These governments will have to repay loans before addressing the fundamental need of their people.

Another outrageous shortcoming in this bill is the cut in funding requested to fight the global HIV/AIDS pandemic.

People in America, our constituents, are just in many cases beginning to learn of the tragedy of AIDS in Africa and around the world. This is a crisis that has affected us and people around the world for many years now. But in African nations it reaches alarming proportions.

I led a delegation that some of my colleagues accompanied me on in December to Nigeria and Zimbabwe and South Africa. It is one thing to intellectualize and theorize about this problem. It is quite another thing to confront dying humanity by the thousands and thousands.

Twenty-two million people in Africa are infected with HIV/AIDS. Many, many more thousands are infected each week, each month.

This issue, in my opinion, is the moral imperative of our time. How much longer will we go on and say it does not matter, it does not concern me that 22 million people are probably going to die?

I can theorize about it. But when I confront it head on, as we did in a village in Zimbabwe where everyone we met was infected with HIV/AIDS, it is a different matter.

There has never in the history of the world been a threat to life like this. If an Army were raging through Africa killing millions of people, we would be mounting armies to go to Africa to save lives. We say we are concerned with life.

This is the issue of life in our world today. I beg the Members to vote for these amendments, to move our world in the right direction to provide the assistance and the aid that people are crying out for.

Finally, I will say we met the head doctor of the largest hospital in Johannesburg. He is a pediatrician. He said that half the children that are born in the hospital right now are infected with HIV/AIDS and will die within the next year; and we cannot even provide, he said, the medication that we know we can provide that costs about $8 to make sure that the children of HIV-infected AIDS patients will be free of AIDS. And it is 70 percent effective. Eight dollars. Eight dollars to make sure that a child who will be born will not die.

This is the moral issue of our time. I pray that this House and all of our great Representatives will stand and deliver on the moral issue, the most important moral issue we will ever face. Vote for these amendments.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will try to be brief and just say that the eloquence of the minority leader and his comments are something that many of us agree with. But he was speaking to the issue of AIDS not the pending pro-abortion amendment.

HIV/AIDS certainly is a devastating scourge on the planet. To date it has claimed the lives of millions of victims and we must find a cure. When Mr. GEPHARDT talked about the $8 for medicine it's worth pointing out that I raised the issue myself at the Committee on International Relations over a year ago. Thankfully, some of the drug companies have offered to provide certain AIDS drugs at cost to foreign governments and NGOs in an effort to mitigate the transference of AIDS to newborns. Since then I have requested our Agency for International Development to make money available to purchase those kinds of drugs to ensure HIV-free babies.

Mr. GEPHARDT really spoke to amendments that will follow this, although he did make a passive reference to the pending legislation.

Mr. Chairman, let me just also say that this vote is not about family planning, it is about abortion promotion and the performance of abortion. Our hope is to continue the wall of separation between the taking of human life by abortion and the prevention of human life. And that policy, which was in effect for 9 years during the Reagan-Bush years worked extremely well. During those years—and now—the United States was and continues to be the largest donor to family planning programs in the world. As a matter of fact, no one even comes close.

The current policy is both pro-family planning and pro-life.

Because many of us believe that the most elemental of all human rights is the right to life, that babies should not be subjected to the violence of abortion, to dismemberment, to chemical poisoning and other methods of battering. The ugly face of abortion, the cruelty of the methods is often masked and sanitized by the advocates of abortion. They do not want to talk about what is done to the baby to procure ''fetal demise.'' It is too ugly. I believe, however, that we need to face the brutal truth of what abortion does to a baby. And the wounds it inflicts on the mother. It is violence against children.

I urge a no vote, a no vote on the pending amendment by the gentleman from Pennsylvania (Mr. GREENWOOD).

Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. CALLAHAN), the distinguished chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, with respect to the minority leader and the gentlewoman from California's (Ms. PELOSI) request for additional time, I will tell my colleague that I removed my objections because I know the minority leader is busy, especially in his new role running for vice president, and I want to accommodate him every way we can. But I would encourage the gentlewoman to restrain if she possibly can from asking for unanimous consent requests, because Members have schedules and I would appreciate very much her not asking for unanimous consent requests for extended time.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, it was my understanding from a previous ruling of the parliamentarian that that was in order, or else I would have informed my colleague in advance of the request. But I did not think it was an extraordinary request. But I hear what he is saying, and I appreciate that. I will do my best.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I thank the gentlewoman for her comments.

Mr. Chairman, I encourage Members to vote no on all three amendments coming up and remind them that last year I think it was a near unanimous vote for the bill which included this exact same language and which the President signed into law. So I would urge a no vote on all three amendments.

Mr. PORTER. Mr. Chairman, I rise in strong support of this amendment. I oppose Section 587 of this bill for two reasons. The first is that this language belongs in an authorizing bill and not an appropriations bill. This is a very complex and controversial issue. The attention that this issue requires can only be properly addressed by the International Relations Committee. The second reason I oppose this language is because I believe that it is bad policy.

Our foreign assistance dollars are used to help people in developing countries. One of the greatest challenges facing these countries is quality of health care. Family planning services are the fundamental services that are directly needed by women and children. Further, these services provide the basis from which to address infectious diseases, especially HIV/AIDS. Without family planning services, you cannot effectively address the overall health needs of people in the developing world. It is as simple as that.

The restrictions in Section 587 further inhibit an already over-challenged program. USAID has not even begun to meet the increasing demand for family planning services. Bureaucracy coupled with historically low funding effectively cripple this program. Safeguards have been in place and enforced for over two decades to be sure that U.S. law is followed by international organizations. If we want to improve the health care provided with U.S. funds to people in developing countries, we must begin to facilitate the delivery of these services instead of making it more difficult.

I thank my colleague from Pennsylvania for offering this amendment and encourage our colleagues support it.

Mr. MCGOVERN. Mr. Chairman, I rise in support of the Greenwood-Lowey amendment to strike Section 587 from H.R. 4811.

Section 587, known as the ''global gag rule'' or the Mexico City language, is not just anti-family planning, it is anti-democracy and anti-free speech. Section 587 denies U.S. family planning assistance to any organization operating overseas that uses its own non-U.S. funds to provide abortion services or engage in advocacy related to abortion.

Voluntary family planning prevents maternal and child deaths, unintended pregnancies, unsafe abortions, and HIV–AIDS and other sexually transmitted diseases. Time and again, studies have shown that access to international family planning programs is one of the most effective means of reducing abortions. Additionally, in many communities, the local family planning provider is the only source of primary health care for the entire family.

These important programs should not be burdened by restrictions that would be illegal if imposed in the United States. More than illegal, they would be unconstitutional. Why would we want to undermine the right of foreign NGOs to freedom of speech and the right to participate in their countries' democratic processes? That's what Section 587 demands.

Why would we want to erect barriers to the development of democracy in these countries, the promotion of civil society, and the enhancement of women's participation in the political and economic mainstream? That's what Section 587 demands.

And why would we want to undermine the international credibility of the United States' commitment to promote women's health and women's participation in democracy abroad? That's what Section 587 demands.

Section 587 is an extremist position. I urge my colleagues to strike it from this bill. Support the Greenwood-Lowey amendment.

Mr. SHAYS. Mr. Chairman, I rise in strong support of the Greenwood Amendment, which will strike Section 587 of this foreign aid spending bill.

Today, we have a chance to help developing nations around the world by correcting an egregious error in U.S. foreign policy: the global gag rule.

The gag rule is a shameful policy that punishes developing nations for doing precisely what we consistently encourage them to do: strengthen their democratic institutions by promoting and protecting freedom of speech.

The gag rule forbids U.S. foreign assistance from going to organizations that use their own, non-U.S. funds to lobby their government on reproductive issues.

The promotion of free speech is a principal goal of U.S. foreign policy and essential to the development of democratic forms of government. The United States—which prides itself on its protection of basic human rights, like freedom of speech—should not restrict these rights in other nations.

I hear all the time—and wholeheartedly agree—that opening up trade with China will lead to greater freedoms to speak in that country, which in turn will promote democracy.

But when it comes to family planning, we suddenly want to stifle voices within developing nations. We want to limit their right to speak out. We force them to relinquish their right to free speech in order to participate in U.S.-supported family planning programs. We force on these NGOs restrictions that would be unconstitutional were they imposed on U.S. organizations.

Mr. Chairman, intentional family planning programs worldwide save the lives of mothers and children, profoundly benefit women's social and economic situations, and dramatically reduce the incidence of abortion.

The global gag rule on international family planning stifles the ability of these programs to operate, placing the lives of mothers and their children at stake.

These misguided restrictions were included as part of the FY 2000 Consolidated Appropriations bill and they are again included in Section 587 of the bill we are considering today.

If we do not remove this provision, we will defund organizations that help reduce the number of abortions worldwide. These organizations provide voluntary, preventative family planning services. They help prevent a number of serious global problems, including: mother and infant mortality, unemployment, illiteracy and Third World debt.

According to the U.S. Agency for International Development, every day approximately 1,600 women die of complications stemming from pregnancy and childbirth. That is about 600,000 women dying each year from pregnancy-related causes. And complications from pregnancy and childbirth are the leading cause of death and disability for women in developing countries aged 15 to 49.

Studies show family planning and reproductive health services can help prevent one in four of those needless deaths. And, in addition to preventing maternal deaths, family planning can reduce the millions of long-term illnesses and disabilities that result each year from pregnancy-related complications.

Family planning also helps women space births, which is critical to improving the health of their children. Just by increasing the time between births or the age of first motherhood, family planning can reduce infant and child mortality by up to 25 percent.

Mr. Chairman, we need to repeal the global gag rule. Let's pass this amendment, and let's put an end to this annual debate.

Mrs. LOWEY. Mr. Chairman, I rise in support of this amendment, which would strike the global gag rule from this bill.

This anti-democratic policy forces NGOs in the developing world to sacrifice their right to free speech in order to participate in our family planning programs. And while restricting foreign NGOs in this way may only offend our democratic sensibilities, if we tried to do this at home it would be absolutely unconstitutional.

Section 587 of the bill, severally damages our international family planning programs. The demand for these programs is much larger than our limited funds can meet, and Section 587 imposes an arbitrary cap on family planning, which is $156 million below the President's request. Very simply, our family planning programs save lives. Six hundred thousand women die each year of pregnancy-related causes that are often preventable. More than 150 million married women in the developing world want contraceptives, but have no access to them. Increasing access to family planning will save the lives of women and children, and it will reduce the incidence of abortion worldwide. Striking this section will reduce the number of abortions performed each day—if you support this objective, you should support this amendment.

We need to consider the global gag rule within the overall context of U.S. foreign policy. What values do we want to export along with our foreign assistance?

The gag rule says to our NGO partners abroad that we don't care about their rights. That freedom of speech, the very foundation of American democracy, matters here, but it doesn't matter abroad. That our commitment to free speech and freedom of association, fixtures of our Constitution, end at our own borders. Is this the kind of message we want to send?

Make no mistake: the United States is being watched. Each day, members of this Congress on both sides of the aisle condemn violations of human rights abroad. Each day we debate whether the United States should associate at all with foreign regimes who refuse to embrace democratic ideals. Our neighbors around the world look to us as the definitive authority on democracy.

I think the words of the director of a family planning organization that receives our funding sums up the severe damage we do to our own credibility by incorporating an anti-democratic policy such as the gag rule into our foreign assistance program.

''We believe this requirement is profoundly anti-democratic and does a disservice to the legacy of the United States' fight for democracy,'' the director wrote. ''Democracy is nourished and strengthened by open debate and freedom of expression; shackling the discussion of ideas impoverishes such public debate and, in doing so, weakens democracy . . . We are now in the difficult position of having to choose between needed funding for a historic project on the one hand, and essential democratic participation on the other. Either way, there is a cost to women's reproductive health and to democracy.''

If the suppression of ideas with which some don't agree, and the use of economic power to crush dissent—are ideals you think the United States should export, then vote against this amendment. But if you believe, as I do, that the strength of our country lies in our unwavering commitment to democracy at home and abroad, then join me in voting ''yes'' to strike the global gag rule.

Ms. DELAURO. Mr. Chairman, I rise to join my colleagues in this motion to strike the

Global Gag Rule language that is contrary to the principles of democracy that we claim to advocate and that simply sweeps the women around the world under the political table.

The family planning programs our country funds are doing critical work to provide reproductive health care for millions of women around the globe to help prevent unwanted pregnancies, and yes, help prevent abortions. These family planning programs are many times the only health care these women and their families have. They are also spreading the first seeds of democracy in countries that are struggling to care for their own people.

But what this bill says to these international family planning groups is that in order to be a part of our system you must forfeit your right to determine what you will do with your own private funds. You must not talk about certain things. You must not perform certain health care services. You must report to us what you do with your own money.

Mr. Chairman, this sounds to me shockingly similar to the undemocratic behavior we criticize in other countries. If we were to impose these mandates on U.S. groups they would be struck down as unconstitutional. Yet when it comes to abortion, some members of this House seem to think anything goes. Tell them they can't even talk about it. It is unconscionable. It is not our money we are now controlling. We do not fund abortions—we haven't for decades. We have now begun to restrict what groups do with their own money.

Who will suffer with we penalize the funding for these groups that provide certain health care services? Women and children. Some of the most impoverished women and children in the world.

This goes to our basis values. As a country that is prosperous, that has the means to provide health care so that fewer women will die, funding family planning is a statement that these women matter. That every child in this world matters.

I urge my colleagues not to go along with the undemocratic restriction on international family planning organizations. This vote comes down declaring your support for women's health, preventing abortion, and truly standing up for democratic values. Support this motion to strike.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GREENWOOD).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GREENWOOD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to House Resolution 546, proceedings will resume immediately after this vote on those amendments on which further proceedings were postponed in the following order: Amendment No. 27 offered by the gentlewoman from California (Ms. WATERS) and the amendment offered by the gentlewoman from California (Ms. LEE).

The Chair will reduce to a minimum of 5 minutes the time for any electronic vote on these two amendments.

The vote was taken by electronic device, and there were—ayes 206, noes 221, not voting 8, as follows:

[Roll No. 396]

AYES—206

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barrett (WI)
Bass
Becerra
Bentsen
Berkley
Berman
Biggert
Bilbray
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Castle
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Edwards
Ehrlich
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Foley
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gejdenson
Gephardt
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green (TX)
Greenwood
Gutierrez
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Hooley
Horn
Houghton
Hoyer
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kaptur
Kelly
Kennedy
Kilpatrick
Kind (WI)
Kleczka
Kolbe
Kuykendall
Lampson
Lantos
Larson
Lazio
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Morella
Nadler
Napolitano
Neal
Obey
Olver
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Porter
Price (NC)
Pryce (OH)
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Serrano
Shays
Sherman
Sisisky
Slaughter
Snyder
Spratt
Stabenow
Stark
Strickland
Sweeney
Tanner
Tauscher
Thomas
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Walden
Waters
Watt (NC)
Waxman
Weiner
Wexler
Wise
Woolsey
Wu
Wynn

NOES—221

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bateman
Bereuter
Berry
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Borski
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Chabot
Chambliss
Coble
Coburn
Collins
Combest
Cook
Cooksey
Costello
Cox
Crane
Cubin
Cunningham
Danner
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ewing
Fletcher
Fossella
Gallegly
Ganske
Gekas
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Holden
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Istook
Jenkins
John
Johnson, Sam
Jones (NC)
Kanjorski
Kasich
Kildee
King (NY)
Kingston
Klink
Knollenberg
Kucinich
LaFalce
LaHood
Largent
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Martinez
Mascara
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Ortiz
Oxley
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Portman
Quinn
Radanovich
Rahall
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stenholm
Stump
Stupak
Sununu
Talent
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thornberry
Thune
Tiahrt
Toomey
Traficant
Upton
Vitter
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—8

Chenoweth-Hage
Clay
Cummings
Forbes
McIntosh
McNulty
Smith (WA)
Vento

□ 1203

Mr. BARTLETT of Maryland changed his vote from ''aye'' to ''no.''

Mr. GREEN of Texas changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to House Resolution 546, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 27 OFFERED BY MS. WATERS

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentlewoman from California (Ms. WATERS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 27 offered by Ms. WATERS:

Page 2, line 25, after the dollar amount insert ''(decreased by $82,500,000)''.

Page 3, line 25, after the dollar amount insert ''(decreased by $7,000,000)''.

Page 30, line 8, after the dollar amount insert ''(increased by $155,600,000)''.

Page 33, line 6, after the first dollar amount insert ''(decreased by $5,250,000)''.

Page 34, line 21, after the dollar amount insert ''(decreased by $200,000,000)''.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 216, noes 211, not voting 8, as follows:

[Roll No. 397]

AYES—216

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Baca
Bachus
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Castle
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Crowley
Cubin
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Ehlers
Engel
English
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Ganske
Gejdenson
Gephardt
Gilchrest
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Hooley
Horn
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
LaFalce
Lampson
Lantos
Larson
Latham
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Porter
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Shays
Sherman
Sisisky
Skelton
Slaughter
Smith (NJ)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Sununu
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Wolf
Woolsey
Wu
Wynn

NOES—211

Archer
Armey
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Chabot
Chambliss
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Cunningham
Danner
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Doolittle
Dreier
Duncan
Dunn
Ehrlich
Emerson
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoekstra
Holden
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
King (NY)
Kingston
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Largent
Lazio
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Maloney (CT)
Manzullo
Martinez
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Radanovich
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shows
Shuster
Simpson
Skeen
Smith (MI)
Smith (TX)
Souder
Spence
Stearns
Stump
Sweeney
Talent
Tancredo
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Young (AK)
Young (FL)

NOT VOTING—8

Chenoweth-Hage
Clay
Cummings
Forbes
McIntosh
McNulty
Smith (WA)
Vento

□ 1217

Messrs. LARGENT, COBURN and FLETCHER changed their vote from ''aye'' to ''no.''

Messrs. BOSWELL, WU, OBEY, LATHAM and LEVIN changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MS. LEE)

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentlewoman from California (Ms. LEE) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. LEE:

Page 6, line 25, after the dollar amount insert ''(increased by $42,000,000)''.

Page 7, line 21, after the first dollar amount insert ''(increased by $42,000,000)''.

Page 34, line 21, after the dollar amount insert ''(decreased by $42,000,000)''.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 267, noes 156, not voting 11, as follows:

[Roll No. 398]

AYES—267

Abercrombie
Ackerman
Allen
Andrews
Baca
Bachus
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bilbray
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Bono
Borski
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Bryant
Camp
Campbell
Canady
Capps
Capuano
Cardin
Carson
Castle
Chabot
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Fletcher
Foley
Ford
Fossella
Frank (MA)
Frost
Gallegly
Ganske
Gejdenson
Gephardt
Gilchrest
Gonzalez
Goodling
Gordon
Green (TX)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hastings (FL)
Hayes
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hyde
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kingston
Kleczka
Klink
Kolbe
Kucinich
Kuykendall
LaFalce
Lampson
Lantos
Largent
Larson
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara

Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHugh
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Petri
Phelps
Pickering
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Rahall
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rohrabacher
Ros-Lehtinen
Rothman
Roybal-Allard
Royce
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schaffer
Schakowsky
Scott
Sensenbrenner
Shays
Sherman
Sherwood
Shows
Sisisky
Skelton
Slaughter
Smith (NJ)
Snyder
Spratt
Stabenow
Stark
Stenholm
Strickland
Stupak
Sununu
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Visclosky
Wamp
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Whitfield
Wise
Woolsey
Wu
Wynn

NOES—156

Aderholt
Archer
Armey
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Boswell
Boyd
Brady (TX)
Burr
Burton
Buyer
Callahan
Calvert
Cannon
Coble
Collins
Combest
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Danner
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
English
Everett
Ewing
Fowler
Franks (NJ)
Frelinghuysen
Gekas
Gibbons
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Green (WI)
Hansen
Hastings (WA)
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hostettler
Hunter
Hutchinson
Isakson
Istook
Johnson, Sam
Jones (NC)
King (NY)
Knollenberg
LaHood
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Martinez
McCollum
McCrery
McInnis
McIntyre
McKeon
Metcalf
Miller (FL)
Miller, Gary
Ney
Northup
Norwood
Ose
Oxley
Packard
Peterson (PA)
Pickett
Pitts
Pombo
Quinn
Radanovich
Regula
Reynolds
Riley
Rogan
Rogers
Roukema
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Sessions
Shadegg
Shaw
Shimkus
Shuster
Simpson
Skeen
Smith (MI)
Smith (TX)
Souder
Spence
Stearns
Stump
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Toomey
Vitter
Walden
Walsh
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—11

Chambliss
Chenoweth-Hage
Clay
Cummings
Forbes
McIntosh
McNulty
Serrano
Smith (WA)
Velázquez
Vento

□ 1225

Messrs. ROHRABACHER, FOSSELLA, HULSHOF and GALLEGLY changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. CUMMINGS. Mr. Chairman, I was unavoidably detained by official business and was not present to vote on three amendments:

Rollcall vote No. 396, on the Greenwood-Lowey amendment to H.R. 4811, had I been present I would have voted ''yea.''

Rollcall vote No. 397, on the Waters amendment to H.R. 4811, had I been present I would have voted ''yea.''

Rollcall vote No. 398, on the Lee amendment to H.R. 4811, had I been present I would have voted ''yea.''

The CHAIRMAN. Are there other amendments to this title of the bill?

If there are no further amendments to this title, the Clerk will read.

The Clerk read as follows:

AMERICAN CHURCHWOMEN IN EL SALVADOR

SEC. 588. (a) Information relevant to the December 2, 1980, murders of four American churchwomen in El Salvador shall be made public to the fullest extent possible.

(b) The Secretary of State and the Department of State are to be commended for fully releasing information regarding the murders.

(c) The President shall order all Federal agencies and departments that possess relevant information to make every effort to declassify and release to the victims' families relevant information as expeditiously as possible.

(d) In making determinations concerning the declassification and release of relevant information, the Federal agencies and departments shall presume in favor of releasing, rather than of withholding, such information.

HIPC TRUST FUND CONDITIONS

SEC. 589. Beginning in fiscal year 2002, funds shall be appropriated to the Heavily Indebted Poor Countries Initiative only when the President of the World Bank and the Managing Director of the International Monetary Fund submit a certification to the Secretary of the Treasury that the Institutions they head will not include user fees or service charges through ''community financing'', ''cost sharing'', ''cost recovery'', or any other mechanism for primary education or primary healthcare, including prevention and treatment efforts for AIDS, malaria, tuberculosis, and infant, child, and maternal well-being in their Poverty Reduction Strategy Papers or any other HIPC-related debt relief or economic reform program or plan or any other International Monetary Fund or World Bank loan or reform program.

SEC. 590. None of the funds made available in this Act may be used to pay for the performance of abortion or to lobby for or against abortion.

PROCUREMENT AND FINANCIAL MANAGEMENT REFORM

SEC. 591. (a) Of the funds made available under the heading ''International Financial Institutions'' in this or any prior Act making appropriations for foreign operations, export financing, or related programs, 10 percent of the United States portion or payment to any international financial institution shall be withheld by the Secretary of the Treasury, until the Secretary certifies that—

(1) the institution is implementing procedures for conducting semiannual audits by qualified independent auditors for all new lending;

(2) the institution has taken steps to establish an independent fraud and corruption investigative organization or office;

(3) the institution has implemented a program to assess a recipient country's procurement and financial management capabilities, including an analysis of the risks of corruption prior to initiating new lending; and

(4) the institution is taking steps to fund and implement independent third-party procurement monitoring and other similar measures designed to improve transparency, anticorruption programs, procurement, and financial management controls in recipient countries.

(b) REPORT.—The Secretary of the Treasury shall report on March 1, 2001, to the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate on progress made to fulfill the objectives identified in subsection (a).

(c) DEFINITION.—The term ''international financial institution'' means the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the Inter-American Investment Corporation, the Enterprise for the Americas Multilateral Investment Fund, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the European Bank for Reconstruction and Development, and the International Monetary Fund.

Mrs. LOWEY. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Is the gentlewoman from New York (Mrs. LOWEY) the designee of the gentlewoman from California (Ms. PELOSI)?

Mrs. LOWEY. Yes, Mr. Chairman.

The CHAIRMAN. The gentlewoman from New York (Mrs. LOWEY) is recognized for 5 minutes.

Mr. DELAHUNT. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from Massachusetts.

Mr. DELAHUNT. Mr. Chairman, I thank the gentlewoman for yielding.

I rise to engage in a colloquy with the gentlewoman from New York (Mrs. LOWEY) as the designee of the gentlewoman from California (Ms. PELOSI).

I want to commend the members of the Committee on Appropriations and, in particular, the gentlewoman from California (Ms. PELOSI) and the gentlewoman from New York (Mrs. LOWEY) for recognizing the important role that women play in Southeast Europe in the former Soviet Union. I would also like to note several innovative steps that the Europe and Eurasia Bureau of AID has taken to ensure that gender issues are considered in our programming. By gender issues, we mean identifying and

analyzing the problems and possibilities that may affect men and women differently and using that information to carry out programs which address the needs and opportunities of both women and men.

For example, at a policy level, gender issues are integrated throughout the new E&E strategic framework, the policy document which will shape AIDS work in the region for the next several years. This is a first step for a USAID regional bureau.

The language includes the following: gender is being integrated into the Europe and Eurasia programs to ensure that the United States is promoting equal access and opportunities, equal rights and equal protection in its assistance programs.

At a program level, preliminary work on this new approach of considering the problems of both men and women has already produced promising results. In central Asia, a recent AID study examined health costs by gender and found that men and women used health facilities differently for general care and that the costs are significantly different. Men go to hospitals and women go to local clinics, since hospitals are much more expensive than clinics.

□ 1230

The study recommended that clinics create outreach programs specific to men. This will result in considerable savings in health funding.

In the Ukraine, creating more women entrepreneurs was an important way to combat the problem of high unemployment rates for women. But absent specific attention to women, business programs often tended to focus principally on men.

Consequently, in 1999, AID asked business development implementers to analyze the best methods for reaching women as well as men. The best methods for reaching women based on this analysis resulted in many more women entering the market economy. In one business training center, woman clients increased 23 percent between 1999 and 2000.

Mrs. LOWEY. Mr. Chairman, I want to thank the gentleman for his comments. I have become very familiar with programs like Star Network, which is organized and run by a group called World Learning that is training women throughout the Balkans to become leaders in their communities, in their societies, and they enter the political arena as a result of this training.

All the points the gentleman has mentioned really illustrate how very critical these programs are. I want to thank the gentleman for his comments.

Mr. DELAHUNT. Mr. Chairman, if the gentlewoman will yield further, I thank her for her comments, and again I want to acknowledge her leadership and that of the gentlewoman from California (Ms. PELOSI) in making this a reality.

AMENDMENT NO. 51 OFFERED BY MR. NADLER

Mr. NADLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 51 offered by Mr. NADLER:

Page 130, after line 16, insert the following new section:

SENSE OF THE CONGRESS REGARDING SO-CALLED ''HONOR CRIMES''

SEC. 592. (a) FINDINGS.—The Congress finds the following:

(1) Thousands of women around the world are killed and maimed each year in the name of family ''honor''.

(2) The United Nations Commission on Human Rights, 56th Session, January 2000, working with the Special Rapporteurs on violence against women and extrajudicial, summary, or arbitrary executions, received reports of so-called ''honor killings'' from numerous countries, including Bangladesh, Jordan, India, and Pakistan, and noted that such killings take many forms, such as flogging, forced suicide, stoning, beheading, acid throwing, and burning.

(3) According to the Department of State's Country Reports on Human Rights Practices for 1999, ''crimes of honor'' in Bangladesh include acid-throwing and whipping of women accused of moral indiscretion.

(4) Authorities in Bangladesh estimate there will be up to 200 ''honor killings'' in that country this year.

(5) Thousands of Pakistani women and girls are stabbed, burned, or maimed every year by husbands, fathers, and brothers who accuse them of dishonoring their family by being unfaithful, seeking a divorce, or refusing an arranged marriage.

(6) Jordan, which had 20 reported ''honor killings'' in 1998, still has laws reducing the penalty for, or exempting perpetrators of ''honor crimes'', and the Jordanian Parliament has twice failed to repeal these laws.

(7) His Majesty King Abdullah of Jordan should be commended for the recent formation of Jordan's Royal Commission on Human Rights, chaired by Her Majesty Queen Rania, which will primarily address obstacles that prevent women and children from exercising their basic human rights, including the persistence of ''honor crimes''.

(8) Although India has made efforts to address the issue of ''honor crimes'', more than 5,000 ''dowry deaths'' occur every year in India, according to the United Nations Children's Fund (UNICEF), which reported in 1997 that a dozen women die each day in ''kitchen fires'' designed to be passed off as accidents because the woman's husband's family is dissatisfied over the size of the woman's dowry.

(9) Women accused of adultery in countries such as Afghanistan, the United Arab Emirates, Pakistan, and a host of other countries are subject to a maximum penalty of death by stoning.

(10) Even though ''honor killings'' may be outlawed, law enforcement and judicial systems often fail to properly investigate, arrest, and prosecute offenders and laws frequently permit reduction in sentences or exemptions from prosecution for those who ''kill in the name of honor'' typically resulting in a token punishment, impunity, and continued violence against women.

(11) The right to exist is the most fundamental of all rights and must be guaranteed to every individual without discrimination, and the perpetuation of ''honor killings'' and dowry deaths is a deliberate violation of women's human rights that should be universally condemned.

(b) SENSE OF THE CONGRESS REGARDING SO-CALLED ''HONOR CRIMES''.—It is the sense of the Congress that—

(1) the United States, through the United States Agency for International Development, should—

(A) work with foreign law enforcement and judicial agencies to enact legal system reforms to more effectively address the investigation and prosecution of so-called ''honor crimes''. and

(B) make resources available to local organizations to provide refuge and rehabilitation for women who are victims of ''honor crimes'' and the children of such women;

(2) the Department of State, when preparing yearly Country Reports on Human Rights Practices, should include—

(A) information relating to the incidence of ''honor violence'' in foreign countries;

(B) the steps taken by foreign governments to address the problem of ''honor violence''; and

(C) all relevant actions taken by the United States, whether through diplomacy or foreign assistance programs, to reduce the incidence of ''honor violence'' and to increase investigations and prosecutions of such crimes;

(3) the United States should communicate to the United Nations its concern over the high rate of honor-related violence toward women worldwide and request that the appropriate United Nations bodies, in consultation with relevant nongovernmental organizations, propose actions to be taken to encourage these countries to demonstrate strong efforts to end such violence; and

(4) the President and the Secretary of State should communicate directly with leaders of countries where ''honor killings'', dowry deaths, and related practices are endemic, in order to convey the Nation's most serious concerns over these gross violations of human rights and urge these leaders to investigate and prosecute all such acts as murder, with the appropriate penalties.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from New York (Mr. NADLER) and the gentleman from Alabama (Mr. CALLAHAN) each will control 5 minutes.

Mr. CALLAHAN. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman from Alabama (Mr. CALLAHAN) reserves a point of order on the amendment of the gentleman from New York.

The Chair recognizes the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am rising to offer this amendment on behalf of myself and the gentlewoman from New York (Mrs. LOWEY), the gentleman from California (Mr. ROHRABACHER), and the gentleman from California (Mr. CAMPBELL). I thank them for cosponsoring this amendment with me.

This amendment addresses a unique and gruesome form of violence against

woman known as honor crimes, in which a woman is maimed or murdered by a relative, usual male, under the perception that the family's honor has been offended.

What is most shocking is that these women are attacked by their own family Members: brothers, fathers, even sons. Most of us are taught to protect and care for members of our family, not to brutalize them.

While preserving one's family honor is obviously no excuse for attacking any person, it is even more shocking that many of these honor crimes are not the result of a so-called dishonorable act, but of a mere belief or perception that such an act may have occurred.

In countries like Bangladesh, for example, women are attacked with acid and whipped if they are merely suspected of a moral indiscretion. In an 11-month period in Pakistan, there were over 675 reported honor killings. Women in Afghanistan suspected of adultery are threatened with death by stoning, as are women in Pakistan and the United Arab Emirates.

While I could continue with gruesome details and statistics on the subject, I think the point is made. There is nothing honorable about whipping one's wife because one suspects her of adultery. There is nothing honorable about throwing acid on a daughter because she marries without permission. This is simply a horrid remnant of ancient cultures which places no value on the lives of women, and that must be addressed.

Unfortunately, as much as I wish it would, this amendment will not end this ghastly form of violence against women. However, it is an opportunity for the Congress of the United States to go on record and state clearly and resoundingly that these crimes should stop, and it is an opportunity to call for the U.S. Government to use its considerable resources to reduce the incidence of these crimes.

It is my hope as well that this amendment will call national attention to this horrible form of violence against women, and begin to get the ball rolling on a multinational effort to end this practice. An individual honor crime is not just an attack on one woman, it is an attack on the entire gender, and a violation of the most basic of human rights, the right to exist as a person and the right to personal autonomy.

Mr. CALLAHAN. Mr. Chairman, I continue to reserve my point of order on the amendment.

The CHAIRMAN. The point of order is reserved.

Mr. NADLER. Mr. Chairman, I yield 2 minutes to the honorable gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I want to thank my good friend, the gentleman from New York (Mr. NADLER), for his leadership on this issue.

Mr. Chairman, I rise in support of the amendment. Thousands of women are maimed or killed each year in nations across the developing world because they have committed what their relatives or neighbors perceive as a crime of honor.

I have met with some of these women who have had acid thrown in their faces, who clearly are maimed, because in someone's eyes they did wrong. Whether their supposed offense is adultery, the desire for a divorce, refusing an arranged marriage, or having the nerve to fetch a lower-than-expected dowry, the punishment is always swift, severe, and outrageous.

Throughout the world women face flogging, forced suicides, stoning, beheading, burning, and other violent punishments for their actions. Rarely does anyone from the community offer to help. Even local government officials turn a blind eye to this terrible practice.

This amendment highlights how very important it is to do more to stop honor killings around the world. Shining a flashlight on this practice, putting the full moral weight of the United States behind a campaign to end it, is critical if we are going to ensure the fundamental human rights of women. We simply must do more to stop these cowardly attacks.

I urge Members to vote yes. For those in doubt, I just wish they could see the faces of these women who have been tortured, who have been maimed, who have had acid thrown in their faces, just because they committed a crime that the community thought was not right, but we understand that they have the right to live their lives in peace and in dignity.

Mr. NADLER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Chairman, I rise in support of this amendment that condemns honor crimes against women.

Mr. Chairman, I rise to speak in support of this amendment that condemns so-called "honor crimes." In countries around the world, women are beaten and killed by male members of their families after being accused of being unfaithful or acting in ways that embarrass the family.

According to Amnesty International the brutal practice of "honor killings" in Pakistan results in several hundred women being killed each year for suspected affairs, for seeking divorce, and for being raped.

In Jordan in the 1990s, an average of 20 women were killed every year.

In India in 1998, 286 women were victims of "honor killings" in Punjab alone. In the first quarter of 1999, 132 "honor killings" were documented in Sindh.

Domestic laws do not protect women who fall victim to this crime. For example, under Article 340 of Jordan's Penal Code, men are exempt from punishment who kill female relatives found or suspected of committing adultery and reduces sentences against those who kill unmarried female relatives who have affairs.

I support the amendment's call to increase investment of U.S. foreign assistance programs designed to investigate and document "honor killings." I would also like to see our assistance support initiatives that conduct public education campaigns about women's equality, with an emphasis on educating law enforcement officers and judges and that provide rehabilitative services to threatened and abused women.

Mr. Chairman, as we continue to expand and deepen our influence around the globe, protection of women and girls from this kind of barbaric behavior must be at the top of our agenda.

Mr. NADLER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I will not belabor the point, but I think it is a simple enough thing to ask that this House go on record urging the United States government, the Executive Branch, to use its resources to stop these killings, to stop this remnant of a former barbarous age.

I hope that despite whatever technicalities there may be, that this in effect precatory amendment can be adopted.

Mr. Chairman, I yield back the balance of my time.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Alabama (Mr. CALLAHAN) insist on his point of order?

Mr. CALLAHAN. I make a point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill, and therefore violates clause 2 of rule XXI.

The rule states in pertinent part: "An amendment to a general appropriation bill shall not be in order if changing existing law. . . ."

I ask for a ruling of the Chair.

The CHAIRMAN. Does the gentleman from New York (Mr. NADLER) wish to address the point of order?

Mr. NADLER. Mr. Chairman, I understand the reasoning behind the gentleman's point of order. I agree with him that we must be very wary about legislating on appropriations bills, which we do too often in this House.

However, I believe two things: one, that this is a situation that begs our immediate attention. This amendment is in the form of a nonbinding resolution calling on the United States government to begin to address this issue with world leaders and the United Nations. I would hope we could make this statement here today.

Two, I would also point out that I do not really believe this changes existing law. This simply urges the Executive Branch to do certain things. It is not binding. It does not change the law. The law is a binding rule, that is what the dictionary defines the law as.

Therefore, it does not meet that definition. It does not change the law.

I would submit it is not, therefore, legislating on an appropriation bill.

The CHAIRMAN. The Chair is prepared to rule.

The amendment offered by the gentleman from New York (Mr. NADLER) proposes to express a legislative sentiment of the Congress. As such, the amendment constitutes legislation on a general appropriation bill, in violation of clause 2, rule XXI.

The point of order is sustained and the amendment is not in order.

Are there further amendments to this section of the bill?

If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—MOZAMBIQUE, MADAGASCAR, AND SOUTHERN AFRICA REHABILITATION AND RECONSTRUCTION

The following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, and for other purposes, namely:

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for ''International Disaster Assistance'', $160,000,000, for rehabilitation and reconstruction assistance for Mozambique, Madagascar, and southern Africa, to remain available until expended: *Provided,* That none of the funds appropriated under this heading may be made available for nonproject assistance: *Provided further,* That prior to any obligation of funds appropriated under this heading, the Administrator of the Agency for International Development shall provide the Committees on Appropriations with a detailed report containing the amount of the proposed obligation and a description of the programs and projects, on a country-by-country basis, to be funded with such amount: *Provided further,* That up to $12,000,000 of the funds appropriated under this heading may be charged to finance obligations for which appropriations available under chapter 1 and 10 of part I of the Foreign Assistance Act of 1961 were initially charged for assistance for rehabilitation and reconstruction for Mozambique, Madagascar, and southern Africa: *Provided further,* That of the funds appropriated under this heading, up to $5,000,000 may be used for administrative expenses, including auditing costs, of the Agency for International Development associated with the assistance furnished under this heading: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount provided shall be available only to the extent an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

AMENDMENT NO. 46 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 46 offered by Ms. JACKSON-LEE of Texas:

Page 132, after line 12, insert the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

LIMITATION ON FUNDS FOR COUNTRIES THAT USE CHILDREN AS SOLDIERS

SEC. 701. None of the funds appropriated or otherwise made available by this Act may be made available to the government of a country that—

(1) conscripts children under the age of 18 into the military forces of the country; or

(2) provides for the direct participation of children under the age of 18 in armed conflict.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed to the amendment each will control 10 minutes.

Does the gentleman from Alabama (Mr. CALLAHAN) rise in opposition to the amendment?

Mr. CALLAHAN. Mr. Chairman, I rise in opposition to the amendment, and I reserve a point of order on the gentlewoman's amendment.

The CHAIRMAN. The point of order is reserved.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I think anyone of good conscience would have rather not come to the floor of the House to debate an issue such as this, the conscripting of our children, the world's children, to fight bloody and disastrous and devastating battles around the world.

This is an issue of worldwide need. It is an issue for Vietnam. It is an issue for South and Central America. It is an issue for the continent of Africa.

I understand, Mr. Chairman, that the distinguished gentleman, the chairman of this committee, has reserved a point of order. I had asked that on this particular instance we waive the point of order because of the enormous devastation.

I also realize that the funding or the drafting of the language of this particular amendment is particularly direct and strong and harsh, for it reads that it would eliminate all funding for those who conscript children.

Let me give the basis of this, as well as to say that my commitment to this is so strong that I am hoping that my colleagues on the Committee on Appropriations and the conference committee and those representing this particular subcommittee will work with me as we move this bill toward conference, ultimately at some point to be able to design disincentives that might also do similarly the same job: to discourage, to stop, to cease, to end the taking of our babies and putting them into war.

Just last week I joined the President of the United States, a number of ambassadors, and Members of the United States Congress at the United Nations in signing an international protocol against the use of children in war, in prostitution, and pornography.

Why is that necessary? Might I lend to the RECORD one story or a number of stories. One boy tried to escape from the rebels but he was caught. ''His hands were tied and then they made us,'' the other new captives, ''kill him with a stick. I felt sick. I knew this boy from before. We were from the same village. I refused to kill him, and they told me they would shoot me. They pointed a gun at me, so I had to do it. The boy was asking me, 'Why are you doing this?' I said, 'I have no choice.' After we killed him, they made us smear his blood on our arms.''

□ 1245

They said we had to do this so we would not fear death, and so we would not try to escape. I still dream about the boy from my village who I killed. I see him in my dreams, and he is talking to me and saying I killed him for nothing. And I am crying. Susan was age 16. She was abducted into the army, by the Lord's Resistance Army. This is what our children are going through in their respective horror and the evilness of taking children whose lives should be full of joy and happiness.

All we are doing is condemning them to a life of misery, if they are not killed themselves in battle. Their minds are so warped with the viciousness of what has happened. They are destroyed forever.

It is estimated this year that some 300,000 children under the age of 18 are engaged in armed military conflicts in more than 30 countries. Sadly, far too many of these wonderful children are forcibly conscripted through kidnapping or coercion, and the others join because of economic necessity to avenge the loss of a family member or for their own personal safety.

There are so many stories of children being abused in this way, and I do want to acknowledge the leadership of the Members of the Subcommittee of Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations, the chairman, the gentleman from Alabama (Mr. CALLAHAN), the ranking member, the gentlewoman from California (Ms. PELOSI), the other Members of the committee, now the gentlewoman from New York (Mrs. LOWEY) who is controlling the time, realizing that these are issues that have been vigorously discussed.

Mr. Chairman, I do believe we must do something about it. The protocol that was signed last week extends much needed protection for children. I cannot imagine that parents here in America would not have their hearts

broken and their hearts extended to those victimized children who are being forced into a vicious war. I believe it is time for us now to do the strongest of rejection of those who do so, which would be to address them where it hurts, and that is in the pocketbook.

Mr. Chairman, I understand that we have done many things on the floor that I have supported, debt relief, HIV protection; but how can we stand as our children are conscripted involuntarily or for the basis of economic necessity?

Mr. Chairman, I rise to extend my strong support for this amendment that, if approved, could enormously enhance the lives of our children being cruelly used as soldiers around the world

In short, this amendment would prohibit funding in the bill for nations that conscript children under the age of 18 or use child soldiers in armed conflict.

This is a small step that should be taken that this nation has now see as a priority. It is important to place this within the bill since, as a nation, we are now on record as prohibiting the inhuman practice of using children as soldiers.

Last week, I joined President Clinton, U.S. Ambassador to the United Nations Richard Holbrooke, and Treasury Secretary Lawrence Summers for the signing of two landmark Protocols that address prostitution, the impact of pornography on children, and the global practice of child labor. This resolution applauds the decision by the U.S. government to support the Protocol that condemns the use of children as soldiers by government and nongovernment forces.

This week, this body passed H. Con. Res. 348, a resolution that condemns the use of children as soldiers. And there is a good reason why we did that. It is important to note, however, this amendment only seeks to stop governments, not all nongovernmental forces or rebels, who find ways to bring children into armed conflict. That limitation cannot be imposed on the nongovernmental forces at this time.

It is estimated that this year some 300,000 children under the age of 18 are engaged in armed military conflicts in more than 30 countries. Sadly, far too many of these wonderful children are forcibly conscripted through kidnapping or coercion and others joined because of economic necessity, to avenge the loss of a family member or for their own personal safety. There are so many stories of children being abused in this way.

Military commanders often separate children from their families in order to foster dependence on military units and leaders, leaving such children vulnerable to manipulation. That is clearly unacceptable. I believe it is very unfortunate that military forces actually force child soldiers to commit terrible acts of killings or torture against their enemies, including against other children.

Last August, the United Nations Security Council unanimously passed Resolution 1261, condemning the use of children in armed conflict. On May 25, the UN General Assembly unanimously adopted an Optional Protocol on the use of child soldiers. This is a sensible addition to the Convention on the Rights of the Child.

As my colleagues are well aware, The Protocol extends much needed protection for children. My fellow Americans, this is one of the first international commitments made by this nation that protects our children. We can no longer deny that thousands of children are killed, brutalized, and sold into slavery. In Sierra Leone, half of the rebel forces are under 18 and some are even as young as 4 or 5 years of age.

The Protocol addresses such action by raising the international minimum age for conscription and direct participation in armed conflict to age 18, it encourages governments to raise the minimum legal age for voluntary recruits above the current standard of 15 years of age, and it commits governments to support the demobilization and rehabilitation of child soldiers.

That is a very strong step forward. It speaks to an international sense of justice that should, indeed must be honored by governments around the world. We should commend President Clinton, U.S. Ambassador to the United Nations Richard Holbrooke, and U.S. Secretary Lawrence Summers for their leadership on this issue.

My amendment will simply make clear that nations will not receive assistance if they use children as soldiers. it is entirely consistent with our international obligations and will effectuate such intent in a clear and straightforward manner.

I urge my colleagues to support this amendment.

[From the Human Rights Watch]

STOP THE USE OF CHILD SOLDIERS!

THE VOICES OF CHILD SOLDIERS

1. ''One boy tried to escape [from the rebels], but he was caught . . . His hands were tied, and then they made us, the other new captives, kill him with a stick. I felt sick. I knew this boy from before. We were from the same village. I refused to kill him and they told me they would shoot me. They pointed a gun at me, so I had to do it. The boy was asking me, ''Why are you doing this?'' I said I had no choice. After we killed him, they made us smear his blood on our arms . . . they said we had to do this so we would not fear death and so we would not try to escape . . . I still dream about the boy from my village who I killed. I see him in my dreams, and he is talking to me and saying I killed him for nothing, and I am crying.''—Susan, 16 abducted by the Lord's Resistance Army in Uganda.

2. ''The army was a nightmare. We suffered greatly from the cruel treatment we received. We were constantly beaten, mostly for no reason at all, just to keep us in a state of terror. I still have a scar on my lip and sharp pains in my stomach from being brutally kicked by the older soldiers. The food was scarce, and they made us walk with heavy loads, much too heavy for our small and malnourished bodies. They forced me to learn how to fight the enemy, in a war that I didn't understand why was being fought.''—Emilio, recruited by the Guatemalan army at age 14.

3. ''They gave me pills that made me crazy. When the craziness got in my head, I beat people on their heads and hurt them until they bled. When the craziness got out of my head I felt guilty. If I remembered the person I went to them and apologized. If they did not accept my apology. I felt bad.''—a 13-year old former child soldier from Liberia.

4. ''I was in the front lines the whole time I was with the [opposition force]. I used to be assigned to plant mines in areas the enemy passed through. They used us for reconnaissance and other things like that because if you're a child the enemy doesn't notice you much; nor do the villagers.''—former child soldier from Burma/Myanmar.

5. ''They beat all the people there, old and young, they killed them all, nearly 10 people . . . like dogs they killed them . . . I didn't kill anyone, but I saw them killing . . . the children who were with them killed too . . . with weapons . . . they made us drink the blood of people, we took blood from the dead into a bowl and they made us drink . . . then when they killed the people they made us eat their liver, their heart, which they took out and sliced and fried . . . And they made us little one eat.''—Peruvian woman, recruited by the Shining Path at age 11.

REFERENCES

1. Human Rights Watch interview, Gulu, Uganda, May 1997.

2. Testimony given at a Congressional briefing on child soldiers, sponsored by Human Rights Watch, Washington, DC, December 3, 1997.

3. Human Rights Watch interview, Liberia, April 1994.

4. Rachel Brett and Margaret McCallin, ''Children: The Invisible Soldiers'', (Radda Barnen, 1996), p. 127.

5. Center for Defense Information, ''The Invisible Soldiers: Child Combatants,'' The Defense Monitor, July 1997.

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

Mr. CALLAHAN. Mr. Chairman, we have no speakers other than a closing statement by me, and I continue to reserve my point of order.

The CHAIRMAN pro tempore (Mr. GUTKNECHT). The gentleman reserves his point of order.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey (Mr. PAYNE), the distinguished ranking member of the Subcommittee on Africa.

Mr. PAYNE. Mr. Chairman, let me thank the gentlewoman from Texas (Ms. JACKSON-LEE) for offering this very important amendment.

Mr. Chairman, we have seen the exploitation of children. We have seen the exploitation in labor. We have seen the exploitation in sexual abuse, and we have seen the exploitation of children as relates to conflicts. In Sierra Leone, children as young as 10 and 12 are given weapons by the dreaded RUF, a group of brutal rebels who have armed children, and other conflicts throughout Africa and Latin America.

Mr. Chairman, we have seen children on the front lines, the Lord's Resistance Movement, as it was mentioned, up in northern Uganda, uses children as the frontline fighters, so when the government troops attempt to get the Lord's Resistance Movement, a rebel group, the children are put in front and the children then are in harm's way, with the military of Uganda reluctant to fire on the children.

Mr. Chairman, this is really a tactic that is used by these terrible despots and clan leaders, and so I think that this makes a lot of sense. We should not have people under the age of 18 in combat. We believe that the exploitation is unbelievable, that in this modern day that we can no longer accept what is going on in the world. I believe that we should support this. I think that it is a right thing to do.

I would hope that the point of order would be waived at this point in time, because I believe that this amendment by the gentlewoman from Texas (Ms. JACKSON-LEE) which would prohibit funding in the bill for Nations that conscript children under the age of 18 or use children soldiers in armed conflict should pass.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New York (Mrs. LOWEY), a Member of the Committee on Appropriations and a fighter for world justice.

Mrs. LOWEY. Mr. Chairman, I want to thank the gentlewoman from Texas (Ms. JACKSON-LEE) for offering this amendment.

Mr. Chairman, we have spent a lot of time on this floor in the last day talking about how at a time of prosperity we should be reaching out to families, to children around the world, helping them get educated, providing health care, providing the very basics of life. And then when we hear the horrors of these children who, in addition to lacking education and health care, are being recruited into the armed services to fight a war that they do not know anything about, the words of one child named Alil ringing in my ear, the army was a nightmare; we suffered greatly from our cruel treatment we received. We were constantly beaten mostly for no reason at all, just to keep us in a state of terror. They forced me to learn how to fight the enemy in a war that I did not understand why it was being fought.

Sadly there are stories like this in several nations all around the world, and I support the Jackson-Lee amendment, and I thank the gentlewoman for her leadership on this issue.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Ms. WATERS), who has been fighting throughout this debate that we may be inclusive and protective of our world neighbors and certainly protective of our children who are forced into fighting vicious wars.

Ms. WATERS. Mr. Chairman, I would like to congratulate the gentlewoman from Texas (Ms. JACKSON-LEE) for her leadership, not only in this country on behalf of children, but her leadership internationally on behalf of children. This is typical of the kind of work that the gentlewoman has been doing.

Mr. Chairman, it is estimated that this year some 300,000 children under the age of 18 are engaged in armed conflict in more than 30 countries. Children are forcibly conscripted through kidnapping or coercion and others join because of economic necessity to avenge a loss of a family member or for their own personal safety. This may be shocking, as this gentlewoman has said, but it is real.

In this country, we have gone a long way toward protecting children. We protect children in the workplace. We protect children and make sure if they do not have a family, that they get foster care. We have rules about how they can or cannot be punished. We do everything that we can to support them from free lunch programs, to free breakfast programs. Certainly we can stand up for children who are being used in wars who are getting killed and maimed unnecessarily. Vote aye on this amendment.

The CHAIRMAN pro tempore. Does the gentleman from Alabama (Mr. CALLAHAN) insist upon his point of order?

Mr. CALLAHAN. Mr. Chairman, first I rise in opposition to the amendment, then I am going to insist on my point of order.

Mr. Chairman, I yield myself such time as I may consume to make a point here.

Mr. Chairman, it is difficult being chairman of this committee and having to stand up here and indicate that I do not support the underlying causes that the gentlewoman's amendment addresses. Who in the House would be opposed to this?

The point is, we have a procedure in this body whereby the Committee on International Relations is the authorizing committee of all of these areas of jurisdiction. And I would just like to send a message to the chairman of the committee, if he wants me to accept all of the authorization on this bill, well, then I will do it. If he expects me to stand up and object and give indication that I do not support the underlying causes, he will be disappointed.

I am still going to object, but to send a message to the Committee on International Relations, if they want these things, fine; if they do not, they better get over here and start objecting on their own.

POINT OF ORDER

Mr. CALLAHAN. Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and legislation in an appropriations bill and, therefore, violates clause 2(c) of rule XXI.

The rule states in pertinent part:

''An amendment to a general appropriation bill shall not be made in order if it changes existing law.''

I ask for a ruling of the Chair.

The CHAIRMAN pro tempore. Does the gentlewoman from Texas wish to be heard on the point of order?

Ms. JACKSON-LEE of Texas. Yes, Mr. Chairman. I rise to speak to the point of order, and I appreciate several points that the chairman of the subcommittee, the gentleman from Alabama (Mr. CALLAHAN), has said. I will offer to work with the chairman as we move toward conference on this issue.

Let me speak to the point of order as I discuss the opportunity, I hope, to be able to work with the gentleman, and that is that we are dealing with an appropriations bill that deals with foreign policy, and foreign policy that covers a variety of issues. In fact, there is a child-support provision in here that we obviously attempted to work with.

Mr. Chairman, I believe that this amendment is within the confines of the appropriations bills. It talks about the international policy on the question of children. It is noted that we have many children that have been killed and brutalized and sold into slavery. In Sierra Leone alone, half of the rebel forces are under 18; some of them are 4-years-old and 5-years-old.

Mr. Chairman, I cannot imagine in the report language and in the legislation that we do not have within the context of the section that I have offered, where I have deleted and had this in compliance with the CBO, it is budget neutral, that this particular amendment, which is simply a limitation that indicates that no monies can be used if your country flagrantly and boldly uses babies to go into war that we would not have that.

Mr. Chairman, I look forward to working with the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations and the gentleman from Alabama (Mr. CALLAHAN) and the gentlewoman from California (Ms. PELOSI) that we can work through conference if the point of order is upheld, Mr. Chairman, to ensure that babies are not dying, not only because of disease and brutality but because they are forced to be warriors in war and killing others in a brutal and horrific fashion.

I think that is the worst act that we as adults can do to our children, and I would ask that the point of order not be upheld and that we be able to move forward on this. I thank the gentleman from Alabama (Mr. CALLAHAN) for his sincere effort, and I hope that we will be able to work together, maybe if the gentleman would stand. I know that the gentleman's heart is there. We worked together.

Mr. CALLAHAN. Mr. Chairman, I rise to speak on my point of order and explain the rationale behind my decision to do this. The previous speaker, the gentleman from New York (Mr. NADLER), had a good underlying cause, but there are 15 or 20 underlying good causes coming up.

I sort of resent the fact that I am standing here as an appropriator taking the brunt of a position saying that I oppose what the gentlewoman wants

me to do. I do not oppose. We have a strategy. We have a rule. We have rules of the House which prohibit this type of activity. And I am trying to protect the integrity of the process.

I applaud the gentlewoman for her efforts. I applaud her mission. I support the content of her amendment, but it is violative of the rules; and I am here to protect the integrity of the process and, therefore, insist upon my point of order.

The CHAIRMAN pro tempore. The Chair has sought advice from the Parliamentarian and is prepared to rule.

Does the gentlewoman have further advice for the Chair? Please state the advice.

Ms. JACKSON-LEE of Texas. Yes, I have advice.

Mr. Chairman, I appreciate the comments of the chairman of the committee and refer the chairman to the underlying bill and its purpose and only say that I also look forward to working on this as it moves towards conference with the authorizing committee and to provide disincentives for this terrible act.

The CHAIRMAN pro tempore. The gentleman from Alabama (Mr. CALLAHAN) makes a point of order that the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE) proposes to change existing law in violation of clause 2(c) of rule XXI.

As recorded in Deschler's Precedents, volume 8, chapter 26, section 52, even though a limitation or exception therefrom might refrain from explicitly assigning new duties to officers of the government, if it implicitly requires them to make investigations, compile evidence, or make judgments and determinations not otherwise required of them by law, then it assumes the character of legislation and is subject to a point of order under clause 2(c) of rule XXI.

The proponent of the limitation assumes the burden of establishing that any duties imposed by the provision either are merely ministerial or otherwise required by law.

The proponent in this case has failed to meet the burden. Accordingly, the point of order is sustained, and the amendment is not in order.

□ 1300

Are there further amendments to the bill?

AMENDMENT NO. 13 OFFERED BY MR. KUCINICH

Mr. KUCINICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 13 offered by Mr. KUCINICH:

At the end of the bill (preceding the short title), insert the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

PROHIBITION ON FUNDS FOR KOSOVO PROTECTION CORPS

SEC. 701. None of the funds appropriated or otherwise made available in this Act may be made available for the Kosovo Protection Corps.

Mr. BEREUTER. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Nebraska (Mr. BEREUTER) reserves a point of order.

Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from Ohio (Mr. KUCINICH) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment is a simple amendment. It would prohibit any funds in this bill from going to the Kosovo Protection Corps, an organization that has always been and continues to be a rogue force in Kosovo.

In September 1999, the Kosovo Liberation Army, KLA, was transformed into a 5,000 member demilitarized civilian organization known as the Kosovo Protection Corps, KPC. According to U.N. regulations on the establishment of the KPC, and this is a quote, ''the Kosovo Corps shall not have any role in law enforcement or the maintenance of law and order.''

However, according to an unreleased internal United Nations report, the Kosovo Protection Corps has been using violence, extortion, murder, and torture. Because this report has not been made public, lawmakers in the United States who actually set the United States budget for this mission in Kosovo must rely on the media to provide such crucial information.

According to press accounts, the report states that the KPC has been involved in ''criminal activities, killings, torture, illegal policing, abuse of authority, intimidation, breaches of political neutrality and hate speech.''

The Washington Post reported that the U.N. report states that several members of the KPC ''allegedly tortured or killed local citizens and illegally detained others, illegally attempted to conduct law enforcement activities, illegally forced local businesses to pay taxes, and threatened U.N. police who attempted to intervene and stop wrongdoing.''

An article in the British Guardian newspaper indicates that in Dragash, two members of the KPC and three others were arrested by U.N. police in connection with the killing of an ethnic Gorani. It goes on to say the U.N. report cited ''three charges of ill-treatment and torture: in Pec, a man was beaten senseless in the KPC's headquarters, suffering head injuries and severe bruising from a rifle butt. . . . In Prizren, a man from the Torbesh minority . . . was kidnapped and beaten up by a KPC member and three other men. And in Prizren KFOR suspended alleged torturers from the KPC.''

A GAO report on security in the Balkans indicates that the Kosovo Protection Corps may be adding to unrest and regional instability in the region. It states that KFOR and the U.N. have detained members from the KPC ''for carrying unauthorized weapons and engaging in violence and intimidation against ethnic minorities.''

So the goals of the U.N., as stated in U.N. Resolution 1244 are actually being impeded by the KPC. These goals include: deterring renewed hostilities, demilitarizing armed groups, ensuring public safety and order, and protecting and promoting human rights.

The U.N. itself cited the KPC for threatening U.N. personnel in efforts to intervene in wrongdoing. So, not only is the KPC responsible for human rights violations, but the KPC is making it harder for the U.N. to accomplish peace in Kosovo.

An Amnesty International report issued in February concluded that after 6 months of peacekeeping efforts in the region, ''human rights abuses and crimes continue to be committed at an alarming rate, particularly against members of minority communities.''

According to the Human Rights Watch World Report 2000, ''Ethnic Albanian refugees returned to a devastated Kosovo almost immediately after the withdrawal of Serbian and Yugoslav forces, and soon began a series of revenge attacks against the region's minority populations. A wave of arson and looting of Serb and Roma homes quickly deteriorated into harassment and beating of individuals. Most serious was a spate of abductions and murders of Serbs.''

Finally, International Crisis Group, an internationally renowned conflict prevention and conflict resolution group based in Washington, D.C. and Brussels, recently issued a report on the KPC. It states that ''Even the UNMIK's own officials and some KFOR officers admit (though never in public) that the KPC is, and will probably remain, a military-style organization.''

These are credible reports from many credible sources that reveal that the KPC is causing unrest and instability as it continues to engage in violent and brutal practices. These human rights abuses of extortion, murder, kidnapping, torture, and intimidation must not continue.

So why should American tax dollars support an organization which is actually worsening the situation of ethnic hatred and violence in war-torn Kosovo? There has been enough violence in the Balkans. Why sustain this volatile atmosphere by continuing to allow the KPC to run rampant in Kosovo?

Most of Europe already knows this. That is why almost all NATO countries do not fund the KPC.

Mr. Chairman, I ask unanimous consent for 1 additional minute.

The CHAIRMAN. The gentleman from Ohio cannot request unanimous consent to extend his own time. It is permissible to ask unanimous consent that both the proponent and an opponent are given an equal amount of time.

Mr. KUCINICH. Mr. Chairman, I ask unanimous consent that both myself and the opponent be given 1 extra minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. KUCINICH) may proceed for 1 additional minute.

Mr. KUCINICH. Mr. Chairman, as I indicated, most of Europe already knows about the KPC. According to a May 10, 2000 United Nations Status Report, the United States has pledged about $5 million and Germany has pledged about $1.5 million. So the United States foots the majority of the bill for an organization which has failed to benefit society in Kosovo.

I am asking for a yes vote on this amendment.

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

The CHAIRMAN. The gentleman from Ohio (Mr. KUCINICH) has 30 seconds remaining.

Does the gentleman from Nebraska (Mr. BEREUTER) insist upon his point of order?

Mr. BEREUTER. Mr. Chairman, I withdraw my reservation of a point of order.

The CHAIRMAN. The gentleman from Nebraska withdraws his point of order.

Mr. GILMAN. Mr. Chairman, I rise to claim the time in opposition to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. GILMAN) for 6 minutes in opposition to the amendment.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the proposed amendment to this bill of the gentleman from Ohio (Mr. KUCINICH) would terminate funding for the Kosovo Protection Corps, the KPC. I am strongly opposed to that amendment because it would have the opposite intended effect of the author's stated goals and, in fact, contribute to greater instability and to increased human rights abuses in Kosovo, thereby complicating the mission of our and other NATO peacekeeping troops.

Strongly supported by the United States, the KPC was formed by the U.N. Administration in Kosovo, the UNMIK. Under this crucial program, the Kosovo Liberation Army was demilitarized and its former members encouraged to become part of an emergency assistance and community service.

Reports of individual members of the KPC, or individuals posing as KPC members, committing human rights abuses are disturbing and must be continued to be fully investigated and monitored. Any KPC member found to have been associated with such activities will be immediately dismissed and subject to criminal prosecution.

I do agree with KFOR and U.N. officials that there must be a zero tolerance policy towards offenses committed by those few members of the KPC or any other individuals in Kosovo who commit criminal offenses or abuse their position in the KPC. That is why we support the approach of focusing the relatively small amount of United States assistance to Kosovo on judicial and police assistance in order to increase stability in this region that has been torn apart by a decade long conflict.

Denying United States funding for the KPC would not resolve the problems that the gentleman from Ohio (Mr. KUCINICH) believes exists in Kosovo and would more than likely increase those difficulties. It would have us throw the baby out with the bath water by undercutting a good program because a few bad individuals may have been involved. We do not stop paying for our police when we find a bad cop in that force.

Cutting off our assistance to the KPC would jeopardize the accomplishments of disarming former combatants and moving Kosovo along the path of peace and reconciliation and would undermine our ability to influence the development of the KPC. It would increase the risk to our troops currently positioned in Kosovo and would threaten to extend the time they need to be deployed there, something we do not want to see happen.

Accordingly, I urge our colleagues to reject this amendment.

Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Chairman, I thank the gentleman from New York (Chairman GILMAN) for yielding to me, and I certainly strongly support his statement.

Mr. Chairman, I believe it is imperative that we oppose this amendment. I believe that this amendment really would wreak havoc in the region. The State Department, the administration, all people who have dealt with this situation in Kosovo oppose this.

The Kosovo Protection Corps plays a critical role in Kosovo in many ways. After the Kosovo Liberation Army formerly gave up its weapons, the KPC was created as an organization which absorbed former KLA members into a demilitarized structure. The State Department has described the KPC as the most important element of a broad program to provide employment for KLA veterans.

The KPC also carries out critical civilian works projects. NATO Secretary-General Lord Robertson has praised the KPC for its work throughout Kosovo, which has included repairing roads, bridges, and other reconstruction projects.

Let me read his quote. He says, ''I will continue to support the KPC, to demand from the international community the resources that will allow it to do this valuable civil job to support General Ceku in the role he has of being an influential spokesman for peace and reconciliation.'' This is the NATO Secretary-General Lord Robertson.

The Kucinich amendment is based on a supposed unreleased internal United Nations report of February 29, 2000, which allegedly makes a variety of accusations against the KPC. When my staff requested a copy of this report, none was available because it was never released. We believe that it is difficult to respond anyway to this report, not only because Members cannot review it for themselves, but because the first KPC members were inaugurated only 1 month before the report was supposedly written.

On April 22 of this year, 114 KPC officers and personnel joined 230 local workers and youth groups in cleaning up disease-infested garbage mounds throughout Pristina, the capital. In another instance, the KPC intervened on February 4 when French and NATO peacekeepers were not able to disperse an angry crowd. According to Reuters, ''The situation finally calmed down with the arrival of the KPC.''

Let me read one other quote, and this is a quote from General Klaus Reinhardt, commander of Allied Forces in Kosovo, KFOR. He says, ''It is my firm belief that the formation of the KPC is an essential step to restoring normalcy to this region.''

So this is an irresponsible amendment. It should be resoundingly defeated.

The CHAIRMAN. The gentleman from New York (Mr. GILMAN) has 15 seconds remaining.

Mr. OLVER. Mr. Chairman, I request that the gentleman from New York (Mr. GILMAN) ask unanimous consent so that I could have a whole minute, which would be 45 seconds on each side.

Mr. GILMAN. Mr. Chairman, I ask unanimous consent that each side be given an additional 45 seconds.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. CALLAHAN. Mr. Chairman, I object.

Mr. GILMAN. Mr. Chairman, I yield the balance of our time to the gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I thank the gentleman from New York very much for yielding me this time.

Mr. Chairman, I would just say there are no white hats in this operation, and there are neither on the Albanian side nor on the Serb side when one considers what happens in Kosovska Mitrovica. It is not easy to turn organizations which have grown up in war into democratic organization in the pursuit of multiethnic community. But if Kosovo is ever to be a multiethnic and a multireligious community, then we are going to have to work with these organizations.

I very much oppose that we adopt the amendment.

□ 1315

Mr. KUCINICH. Mr. Chairman, I yield myself the balance of my time.

The unreleased internal United Nations report on the Kosovo Protection Corps using violence, extortion, murder, and torture has been widely reported. I am asking all of my colleagues today to take a stand for the protection of human rights of all citizens in Kosovo. Vote ''yes'' on this amendment.

The KPC has become a brutal paramilitary organization, a fact that has been confirmed by the U.N. itself, the GAO, and many nongovernmental organizations. According to this internal U.N. report, the KPC has prevented the U.N. from establishing peace and maintaining order in Kosovo. The United States cannot continue to fund such activities.

Mrs. KELLY. Mr. Chairman, I rise in strong opposition to the Kucinich Amendment, which would seriously undermine our efforts to promote stability and reconstruction in Kosova.

This amendment seeks to cut off all funding for the Kosova Protection Corps, a civilian organization formed in September of last year to employ demobilized members of Kosova Liberation Army on needed efforts such as disaster response, search and rescue, humanitarian assistance to isolated areas, de-mining and rebuilding the country's infrastructure. The KPC, which operates under the authority of the UN, offers employments to these veterans to engage in constructive activities in support of the country and its people.

I understand and share the gentleman's concerns over allegations of acts of violence committed by purported members of this organization. These incidents should be investigated fully and those found guilty should be prosecuted to the fullest extent of the law. But to completely cut off funding to an organization that, in the words of the KFOR commander, General Klaus Reinhardt, is ''an essential step to restoring normalcy to this region'', would undercut and negate everything that this country and our European allies have done to restore peace and stability to Kosova.

The fact is, Mr. Chairman, the vast majority of former KLA members who joined the KPC were not professional soldiers—they were farmers, laborers or mechanics, individuals with skills that are desperately needed as Kosova re-builds. Yes, they took up arms in the face of naked aggression from Serb paramilitary and security forces. Faced with similar situations, I doubt many in this Chamber wouldn't do the same to protect their homes, their families and loved ones. The war is now over, and it is essential that we support programs such as this which, in a very real sense, beat swords into plowshares by transitioning these veterans to the cause of community service and nation building.

That cause would be undercut, Mr. Chairman, if we allow this amendment to prevail. Let's not destroy a worthwhile program and jeopardize the cause of peace because of the misdeeds of a few. I urge my colleagues to oppose the Kucinich Amendment.

Mr. NADLER. Mr. Chairman, I rise today to oppose the Kucinich Amendment to cut funding for the Kosovo Protection Corps (KPC). The KPC has served as an important force for peace and stability in an unstable region. After the Kosovo Liberation Army (KLA) demilitarized, the KPC was formed in an effort to employ former KLA members in a capacity which could be beneficial to the region. Since it's inception, the KPC has done important work in Kosovo, cleaning disease infested garbage dumps in Pristina, repairing roads and bridges and helping to rebuild over 1,000 homes.

While individual members of the KPC have been accused of carrying illegal weapons, and while I do believe these individuals should be dealt with, the KPC as a whole has played an important role in the quest for peace in Kosovo. On February 4th, in Mitrovica, KPC members intervened along with French and Italian NATO peacekeepers to disperse an angry crowd. The leadership of the KPC has repeatedly spoken out for tolerance and reconciliation amongst the different ethnic groups within the region.

Mr. Chairman, I believe it would be a grave mistake to deny funding to this important organization at this most tumultuous time in Kosovo's history. I urge my colleagues to vote against the Kucinich amendment.

Mr. BONIOR. Mr. Chairman, it was a bleak picture early last year in the Balkans.

Slobodan Milosevic had begun a new campaign of terror against ethnic Albanians in Kosovo.

Men of all ages were tortured and killed.

Women were raped.

Yet another ethnic population was being ''ethnically cleansed.''

Refugees poured over the borders to Albania and Macedonia.

When I visited the refugees last May, they relayed experiences that few of us could even imagine are possible in the world today.

One Kosovar boy saw his father's eyes torn out. He told us, ''you can't imagine what they have done.''

A woman from the Prizren region said that Serb paramilitary forces entered her house, looking for her husband—a teacher in a local school. The forces took all of the family's jewelry and money. She escaped, but her husband and mother were burned alive inside the house. The woman said, ''this happened to many people.''

These are brutal episodes, but too many of us have become numb to them because in Milosevic's Yugoslavia last decade, we learned of violence like this nearly every day.

But I know that for many of us, and for many of our parents and grandparents, these stories bring back chilling memories of Europe during the Nazi reign of terror.

Last spring, we could have struck our head deep into the sand, and said that Kosovo was merely a European problem, but we didn't.

Together with NATO, we mounted a swift and successful campaign to put an end to this awful bloodshed and mayhem.

Although Kosovo has a long way to go after a generation of ethnic tension, years of neglect and months of war, things are getting better day after day.

Democracy, the rule of law and prosperity do not take root overnight. They must be nurtured. But with care, they will grow.

That's why we must reject this amendment.

It will do nothing more than uproot the careful work we have done so far in the Balkans.

The people of Kosovo are dedicated to democracy, and I know they draw their strength from the commitment we in the United States have made to them.

The army fighting for independence in Kosovo last year voluntarily disarmed.

According to the State Department, this demilitarization was the quickest in modern history.

And the new force—known as the Kosovo Protection Corps—which this amendment seeks to disband, has helped to rebuild homes, fight fires, repair the infrastructure and clean polluted rivers.

Yes, there have been incidents where individuals have engaged in abuses. And these must be dealt with severely.

In any country where chaos has ruled and war has ravaged civic institutions, there is bound to be confusion. Tensions which are ages old will not be diffused overnight.

We should not underestimate the problems.

But the answer is not to walk away from the problems.

The answer is to continue to work for peace.

And that's exactly what we should do in Kosovo.

Vote against this amendment.

Mr. CROWLEY. Mr. Chairman, I speak today in strong opposition to the Kucinich amendment which seeks to prohibit funds in the FY 2001 Foreign Operations Appropriations bill from being used to fund the Kosova Protection Corps (KPC).

KPC plays a vital role in Kosova, filling the void that was left when the Kosova Liberation Army (KLA) surrendered its weapons.

The KPC was formed by the UN Administration in Kosova (UNMIK) as a civilian organization responsible for disaster response, search and rescue, humanitarian assistance, demining, and infrastructure rebuilding. Security in Kosova is not provided by the KPC, but a separately trained civilian police and international police force serving under the direction of UNMIK. The KPC functions under the political authority of UNMIK and the day-to-day operational direction of KFOR.

The KPC carries out important civilian work projects, such as building and repairing roads and bridges. In another instance, the KPC intervened on February 4 when French and

Italian NATO peacekeepers were not able to disperse an angry crowd and succeeded in restoring order to the situation.

The KPC has the support of the people in Kosova, the U.S. State Department and the United Nations.

Despite the allegations made in support of the Kucinich amendment, UN officials have investigated the allegations leveled against members of the KPC and found no evidence to support them.

International military and civilian leaders in the region have expressed their support and gratitude for the efforts of the KPC.

NATO Secretary-General, Lord Robertson, has praised the Kosova Protection Corps for its work throughout Kosova, which has included repairing roads, bridges, and other reconstruction and relief projects.

I urge my colleagues to oppose the Kucinich amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. KUCINICH).

The amendment was rejected.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BEREUTER:

At the end of the bill (preceding the short title), add the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

PROHIBITION ON ASSUMPTION BY UNITED STATES GOVERNMENT OF LIABILITY FOR NUCLEAR ACCIDENTS IN NORTH KOREA

SEC. 701. (a) PROHIBITION.—None of the funds appropriated or otherwise made available by this Act may be used to enter into any agreement, contract, or other arrangement which imposes liability on the United States Government, or otherwise require financial indemnity by the United States Government, for nuclear accidents that may occur at nuclear reactors in the Democratic People's Republic of Korea.

(b) EXCEPTION.—Subsection (a) shall not apply to any treaty subject to approval by the Senate pursuant to article II, section 2, clause 2 of the Constitution of the United States.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from Nebraska (Mr. BEREUTER) and a Member opposed each will control 5 minutes.

Mr. GEJDENSON. Mr. Chairman, I rise to claim the time in opposition.

The CHAIRMAN. The gentleman from Connecticut (Mr. GEJDENSON) will control the time in opposition.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

This Member rises out of concern that because of reported executive action that is currently being contemplated by the President, the American taxpayer may soon be required to assume billions of dollars of liability for potential North Korean nuclear accidents.

Under the Korean Energy Development Organization program, KEDO, the United States Government committed to the construction of two light-water nuclear reactors in North Korea with major financing from Japan and South Korea. These reactors are designed to diffuse the nuclear development program of the Democrat People's Republic of Korea, the DPRK, that it had operated and, presumably, used to divert weapons grade nuclear material. The new reactors are to be owned and operated by North Korea.

Because North Korea is not known for its nuclear safety, some of the essential American construction firms have, quite understandably, refused to participate in the KEDO effort without insurance. Private insurance companies, sensing a lousy risk, want nothing to do with the KEDO program. As a result, the KEDO program could collapse under its own weight.

In an effort to keep the KEDO program moving forward, some in the executive branch have proposed that the United States provide insurance guaranties for the KEDO program. Mr. Chairman, this is an enormous legal liability that is being contemplated by Executive Order. While the United States continues to participate in the construction of two light-water nuclear reactors in the DPRK is not the issue, we have been participating in the KEDO program since 1995; and funds are included in this bill to continue that support. The question is whether the United States will assume financial liability for the project if accidents occur.

Mr. Chairman, make no mistake, this is potentially a staggering liability. It requires faith in the North Korea engineers, who may or may not have been trained and over whom we have little or no control. It requires faith that North Korea will devote the energy and resources to maintain those reactors. It requires that conflict does not break out on the Korean peninsula. And if North Korea's safety procedures prove inadequate and a Chernobyl-type disaster occurs, it could require tens of billions of U.S. taxpayer dollars. If there is a nuclear accident, there is no quicker way to eliminate the current budgetary surplus that many Members of this body have worked so hard to achieve.

Mr. Chairman, this Member would remind his colleagues that on May 18 of this year, in an amendment to the defense authorization bill, this body considered and voted overwhelmingly to limit the ability to provide such insurance guaranty. But the executive branch is ignoring or seeking to ignore that overwhelming vote. The amendment before this body today sends a very strong message that extending financial guaranties to rogue nations is a serious matter.

If Members of this body are concerned about nuclear proliferation, if my colleagues are concerned about fiscal responsibility, or even if Members are suspicious that North Korea may not be absolutely and irrevocably committed to cooperation on nuclear nonproliferation with the West, they must vote for this amendment.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding, and rise in support of the Bereuter amendment and commend its sponsor.

This bill provides funding that the Clinton administration has requested to continue carrying out its policy of giving U.S. foreign assistance to North Korea pursuant to the agreed framework of 1994. The Bereuter amendment imposes a sensible condition on the funds that this bill appropriates for North Korea.

This amendment prohibits any money appropriated under this act from being used to assume any liability for the cost of nuclear accidents in North Korea. Incredibly, the administration reportedly is considering making U.S. taxpayers libel in the event that the North Koreans mismanage their nuclear reactors that the administration wants to build there and could trigger a catastrophic nuclear accident. This, obviously, would be folly; and the gentleman from Nebraska is doing all of us a favor by trying to stop the administration from doing this.

The distinguished Chair of our House Republican Policy Committee, the gentleman from California (Mr. COX), has been very active in protecting the interests of the American taxpayer with regard to the possibility that current U.S. policy may create a Chernobyl-style disaster in North Korea. I am pleased to support the amendment offered by the gentleman from California (Mr. COX) and the gentleman from Massachusetts (Mr. MARKEY) on the defense authorization bill that addresses these concerns, and I am pleased to support the Bereuter amendment to the bill as well.

This is a very timely and important amendment, and I urge our colleagues to support the amendment.

Mr. BEREUTER. Reclaiming my time, Mr. Chairman, I would say that, indeed, the gentleman from California (Mr. COX) has been extremely active. He does have an amendment filed, and I will give him the opportunity to close in a minute.

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

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if I have ever seen a bad deal, it is this amendment. It is

bad from a number of perspectives. It was not that long ago that we were in the well here wringing our hands about the dangers of a North Korean missile coming over and hitting part of the United States, and there was no limit to the funding we would spend to stop this threat from North Korea: $60 billion for an untested Star Wars program. Rush the program through. We have spent a third of a billion dollars in the last 9 months.

We all saw the last success of that program when the booster apparently did not get to the target where it was predetermined to hit the mark. So we have spent a third of a billion dollars in the last 9 months. There are people here who want to spend $60 billion before they find out whether the system works or not to protect us from North Korean missiles. But let us make sure we do not even give the administration an opportunity to work out an agreement that stops the North Korean missile program.

A better title for this bill would be ''an amendment to prevent an agreement.'' Because before we know what the administration wants to do, whether they are going to get a consortium of nations to simply buy an insurance program, whether the Japanese and the others in the region are going to pay the whole tab and we might have to facilitate some of the technical elements of it, Congress is going to rush down here, and we are going to tell President Clinton and his negotiators not to come to an agreement.

We are going to spend $60 billion on Star Wars whether it works or not. That is a good expenditure, just like the third of a billion we have had for the failed tests. Let us just slow down a bit here. What the administration has achieved is for the first time in 50 years we are having a dialogue with the North Koreans. Now, this is not an easy job. This is about one of the most paranoid societies in the world. Orwell's view of the world could not figure this place out if he had the blueprint in advance.

But, Mr. Chairman, we have got them to stop their nuclear program. We have got them to stop their missile program. There is a lot more we have got to do. We have our allies working together with us in a coordinated program. We always complain about burden-sharing. Here others want to take the lead in the burden, and we have got an amendment on the floor to stop us from participating before we know what that portion of participation is.

I understand the desire not to have anything in North Korea that could give us a liability. But when Congress is ready to pass on a $60 billion Star Wars program before the technology works, when we have spent a third of a billion dollars in the last 9 months, we should not come here and say we cannot spend a penny to implement, negotiate and come to an agreement that might shut down any future missile or nuclear programs that the North Koreans might undertake is bad policy.

Let us give the administration a chance. This is the toughest country in the world to negotiate with, and we have begun to make progress.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman for yielding, and I just want to say that regardless of whether we are doing the right thing in the amendment or not, I think the whole indemnification process is wrong for us to get involved in.

What we are saying is that General Electric, which is the only American company I know of that is even involved in providing some of the resources for the new facility, will not go in there without indemnification. So what we are saying, in effect, is that we are not going to allow the United States to indemnify General Electric from any class action suit that might take place even in North Korean courts.

American business people are already being subjected to this serious problem in South Vietnam now. So I have questions about the indemnification.

Mr. GEJDENSON. Reclaiming my time, Mr. Chairman, I understand the gentleman's questions, but the questions exist outside of any liability.

We have not yet given the administration opportunity to see what portion the Japanese are willing to take, and they are very interested in this. So to handcuff the administration before we have even a blueprint of what the final negotiations will present us for American responsibility, while we are ready to spend $60 billion on Star Wars, is irresponsible.

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

Mr. BEREUTER. Mr. Chairman, I yield the balance of my time to the gentleman from California (Mr. COX), but I might just say to the gentleman from Connecticut that this has nothing to do with missiles.

Mr. COX. Mr. Chairman, I want to thank the gentleman for offering his amendment. It is similar to language that this House recently approved when I offered my amendment on the defense authorization bill. The House voted 334 to 85 to authorize this prohibition on the Clinton administration guaranteeing against the cost of nuclear accidents in Stalinist North Korea.

This amendment is imminently sensible, and it must be adopted.

Mr. GEJDENSON. Mr. Chairman, I yield myself the balance of my time, and I say that we should give negotiations a chance.

If we can spend $60 billion on Star Wars, a third of a billion in the last 9 months, we ought to at least give an administration a chance to try to work this out which has shut down the North Korean missile program, which has shut down their nuclear program, and has made more progress on the North Korean peninsula in the last several years than all the 50 years before that.

The CHAIRMAN. All time for debate has expired.

The question is on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. BEREUTER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 546, further proceedings on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER) will be postponed.

AMENDMENT NO. 57 OFFERED BY MR. PAYNE

Mr. PAYNE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 57 offered by Mr. PAYNE:
Page 132, after line 12, insert the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

ASSISTANCE FOR NATIONAL DEMOCRATIC ALLIANCE OF SUDAN

SEC. 701. (a) IN GENERAL.—Of the funds appropriated under the heading ''TITLE II—BILATERAL ECONOMIC ASSISTANCE–OTHER BILATERAL ECONOMIC ASSISTANCE–ECONOMIC SUPPORT FUND'' for non-sub-Saharan African countries, not more than $15,000,000 shall be used, notwithstanding any other provision of law, to provide assistance to the National Democratic Alliance of Sudan to strengthen its ability to protect civilians from attacks, slave raids, and aerial bombardment by the Sudanese government forces and its militia allies.

(b) DEFINITION.—In this section, the term ''assistance'' includes non-lethal, non-food aid such as blankets, medicine, fuel, mobile clinics, water drilling equipment, communications equipment to notify civilians of aerial bombardment, tents, and shoes.

Mr. GILMAN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from New York (Mr. GILMAN) reserves a point of order.

Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from New Jersey (Mr. PAYNE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. PAYNE).

Mr. PAYNE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say that the amendment that I have offered is an amendment that would allow assistance to the National Democratic Alliance, which is a group of people in the south of Sudan. It will provide them with nonlethal equipment, not counting food aid; but it would give assistance to the people in the south to support their fight against the National

Islamic front, which is the government of the north, which has given the people in the south a very, very horrible time over the past 30 years.

□ 1330

In Sudan, close to 2 million people have died in war-related causes. Many have died from famine. Many have died from war-related killings.

Secondly, in Sudan, slavery is condoned by the al-Bahsir government; and we feel that this is one of the most tragic situations in the world. More people have died in Sudan than in Somalia, Rwanda, Kosovo all put together.

We think that this support would help to protect the defenseless citizens to provide them with nonlethal assistance such as medicine, vehicles, field hospitals, communication equipment, radio transmitters so that they can have a way to counter the National Islamic Front's propaganda.

The need is even more important now since the Government is using newly found oil revenues to buy arms to destroy the opposition. We cannot allow the extremists to win. We must help create a level playing field if there is going to be meaningful negotiations and a just settlement to the conflict. We must do more to bring about peace in Sudan.

We feel that there should be an end to this conflict, and we would like to see the IGAD process led by President Moi of Kenya, who has been working with the government of Khartoum and with the SPLA and with the National Democratic Alliance to try to come up with a solution to end this most horrific situation that is occurring in Sudan.

We have seen pictures of slaves that have been purchased from the slave owners. We have seen the beatings of people who have been held in bondage where they are raped or where their Achilles' tendons are cut so that they cannot escape, where they are treated even worse than the animals in the compound where they have to work in indentured servitude.

And so, we are saying that the world has too long sat by and has done too little and that we must step up an aggressive movement to assist these people.

As I indicated before, an estimated 2 million people have died. They have died of famine. They have died of war-related incidents. There are old Soviet planes that the government in Khartoum uses against the villages in the south, planes called the Antinovs. These planes bring bombs down to the area. And as the plane goes over and as they approach a village, the chickens are the first to hear the planes coming and the children who watch the chickens then start to run. Then the older people know that the planes are coming and it is time to move out.

The last bombing, they destroyed a primitive hospital in one of the towns. They have bombed a school that the administrators there have attempted to conduct educational facilities going on. And so this is really something that is the only humane thing to do. We must say that enough is enough. I ask that this amendment be adopted.

The CHAIRMAN. Does the gentleman from New York (Mr. GILMAN) wish to make his point of order?

Mr. GILMAN. Mr. Chairman, I reserve the point of order, and I claim time in opposition to the amendment.

Mr. GILMAN. Mr. Chairman, I want to commend the long-time interest of the gentleman from New Jersey (Mr. PAYNE) in the humanitarian disaster in the Sudan. I am not necessarily against the language, but this is simply the wrong measure. This is an appropriations bill.

I will be pleased to work with the gentleman, who has been an outstanding advocate on behalf of democracy in Sudan, on these issues in our committee and would be pleased to work with him to make certain that we get the appropriate vehicle for doing what he is seeking, his meritorious goals.

POINT OF ORDER

Mr. GILMAN. Mr. Chairman, I raise a point of order against the amendment on the ground that it violates clause 2 of rule XXI in that it constitutes legislation on an appropriations bill.

The CHAIRMAN. Does the gentleman from New Jersey (Mr. PAYNE) wish to be heard briefly on the point of order?

Mr. PAYNE. Yes, Mr. Chairman, I do.

Mr. Chairman, I thank the gentleman from New York (Mr. GILMAN), who I have had the privilege to work with, for his comments. I think his leadership on the Committee on International Relations has been exemplary.

I have had the privilege also to work closely with the chairman, the gentleman from California (Mr. ROYCE); and I feel very strongly that we have to finally move. It is the only right thing to do.

The pariah government of Sudan, those persons who bombed our embassies in Kenya and Tanzania, came out of the Sudan. They are bombing their own people. Two million people have died.

But, Mr. Chairman, I would accept the suggestion of the gentleman from New York (Mr. GILMAN) that we could work together. And I hope that the chairman of the Committee on Appropriations would also agree to work along with us. We do realize that this may be perceived as trying to legislate through appropriations, but I do appreciate his willingness to work with us.

I commend the gentleman for the relationship that we have and also commend the chairman of the Committee on Appropriations, who has seemingly started to appreciate some of these issues. And, hopefully, we can work together.

The CHAIRMAN. The Chair is prepared to rule.

The Chair finds that the amendment offered by the gentleman from New Jersey (Mr. PAYNE) explicitly supersedes other law. The amendment, therefore, constitutes legislation in violation of clause 2 of rule XXI. The point of order is sustained.

Mr. CALLAHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I thank the chairman for yielding.

Mr. Chairman, if possible, I would like to enter into a colloquy with the chairman to discuss an area that I think in our foreign policy that we overlooked, and that is the funding for the former Yugoslav Republic of Macedonia.

This is a country that of all the countries in the Balkans has achieved what none of the others have. And, in fact, what we have is a multiethnic society that has democracy, a functioning parliament that we, through our foreign policy, have not kept our agreements with, and specifically, the agreement that we signed that, if we were there longer than 5 days, we would renegotiate our agreements for the utilization of that society during the war in Kosovo.

The toll on Macedonia has been tremendous. They had an influx of 350,000 refugees in a country of 2 million people. That would be like us taking 45 million people in.

The agreements that were made are not being kept with the Macedonian people. In this time of instability in the Balkans and the need for stabilization, it is, I believe, imperative that, number one, we go back and reemphasize our effort for support for that democracy; and, number two, we keep the agreement that the administration made.

I would like to enter into the RECORD the statements by Ambassador Holbrooke, the fact that the administration had asked for more money for Macedonia; and, in fact, their request was not for an increase in money for Macedonia and to make that a part of the RECORD.

The second area that I think that we need to talk about is the infrastructure damage that has been done by both the KFOR force and the European force to their roads and highways which is handicapping their ability to rebuild their democracy and their economics.

My question would be to the gentleman that if he would he take another look at this prior to going to conference to see if in fact we cannot live up to our obligations that were promised, number one, and number two, invest in a country that has chosen peace instead of conflict and is

demonstrating that a multiethnic parliament and democracy can work in that area.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, we will be happy to give consideration to that. I think the gentleman is fully aware of the fact that we have a limited amount of allocation to us.

The time will come when the gentleman will have the opportunity to vote on whether or not we are going to have an increased allocation. And if indeed that increased allocation comes, which I am sure the gentleman will then not object if we are going to fulfill his request, I certainly will consider that.

I appreciate the knowledge of the gentleman of that area of the world and especially Macedonia and would pledge to work with him.

Mr. Chairman, I yield to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Chairman, I wanted to reinforce some of the points that my friend, the gentleman from Oklahoma (Mr. COBURN), made but add that it was not just the road damage. They will have 580 to $600 million estimated in trade damage and other costs. They have 50 to 60,000 refugees still there.

Macedonia was in a terrible situation. Because, unlike the other Orthodox neighbors, they sided with the United States and they let us use their roads and let us use their facilities and have paid a terrible price in trade. And having the refugees there and having our armed forces go through, they have tried to sustain their balanced government, but it is under direct challenge.

Because it has been a destabilizing force, now their borders are at risk. It was never a completely clear border between the different countries there, anyway. I know that my colleagues are under tremendous financial pressure. Anybody watching these debates understands that. We all have the sneaking suspicion that there will be more money later. I hope my colleagues will strongly consider adding additional funds to a country that stood with us.

Many of us did not favor that intervention. But when we went in, we needed to have the protection for American soldiers and the base with which to put them through. This country cooperated with us and paid a terrible price, and we need to do what we can to help them.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I would also give the same message to the gentleman from Indiana (Mr. SOUDER) that when the time comes for an increased allocation whereby we can facilitate these things, we would appreciate very much the support of the gentleman.

AMENDMENT NO. 17 OFFERED BY MR. PAUL

Mr. PAUL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 17 offered by Mr. PAUL:

At the end of the bill (preceding the short title), insert the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

LIMITATION ON FUNDS FOR ABORTION, FAMILY PLANNING, OR POPULATION CONTROL EFFORTS

SEC. 701. (a) LIMITATION.—None of the funds appropriated or otherwise made available by this Act may be made available for—

(1) population control educational programs or population policy educational programs;

(2) family planning services, including, but not limited to—

(A) the manufacture and distribution of contraceptives;

(B) printing, publication, or distribution of family planning literature; and

(C) family planning counseling;

(3) abortion and abortion-related procedures; or

(4) efforts to change any nation's laws regarding abortion, family planning, or population control.

(b) ADDITIONAL LIMITATION.—None of the funds appropriated or otherwise made available by this Act may be made available to any organization which promotes or makes available—

(1) population control educational programs or population policy educational programs;

(2) family planning services, including, but not limited to—

(A) the manufacture and distribution of contraceptives;

(B) printing, publication, or distribution of family planning literature; and

(C) family planning counseling;

(3) abortion and abortion-related procedures; or

(4) efforts to change any nation's laws regarding abortion, family planning, or population control.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from Texas (Mr. PAUL) and a Member opposed each will control 5 minutes.

Mr. GILMAN. Mr. Chairman, I reserve a point of order.

Mr. PAUL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment strikes all the funding for international population control, birth control, abortion, and family planning. This is not an authorized constitutional expenditure. It should not be spent in this manner.

More importantly, in a practical way, it addresses the problem of fungibility. Because so often we appropriate funds, whether it is funding for family planning with restrictions against abortion or whether we give economic aid or whether we give military aid. All funds are fungible.

So, in a very serious way, we subsidize and support abortion to any country that participates once we send them funds. This amendment addresses that by striking all these funds which are allocated for population control.

Population control and birth control in many of these nations is a serious personal affront to many of their social mores in these countries. Also, it is an affront to the American taxpayer because it requires that American taxpayers be forced through their taxing system to subsidize something they consider an egregious procedure. That is abortion. These funds go to paying for IUDs, Depo-Provera, Norplant, spermicides, condoms.

Just recently a study came out that showed that the spermicidal, the nonoxynol-9, is something that is paid for with these funds. Unfortunately, this spermicidal enhances the spread of AIDS. Talk about unintended consequences. Here we are, the other side, who likes this kind of spending, they do it with good intentions; and at the same time, it literally backfires and spreads AIDS inadvertently.

□ 1345

For this reason, I offer this amendment to strike all these funds because there is no other way to stop the use of these funds once the funds get there, no matter what the restrictions are.

The Mexico City language is something I support and I vote for, and the attempt is very sincere to try to stop the abuse of the way these funds are used. But quite frankly the Mexico City language does not do a whole lot. If the President wants to suspend that language, he can and he takes a penalty of $12 million, a 3 percent reduction in the amount of money that becomes available for these programs. It goes from $385 million down to $373 million and the President can do what he wants. So there is really no prohibition. We as American taxpayers do support these programs. You say, Oh, no, they don't. We put prohibitions. They're not allowed to use it for abortion.

That is not true. I mean, the language is true; but it does not accomplish that. What it accomplishes is that these funds go in for buying birth control pills and condoms, and the money that would have been spent on birth control pills and condoms go and is used to do the abortion. I believe in the fungibility argument in its entirety, not just in the family planning. As soon as you give funds in any way whatsoever to a country such as China that endorses abortion, I mean, we are participants, we are morally bound to say that we are a participant in those acts. Even though we say, I hope you don't do it and you shouldn't do it and we're not authorizing you to do it, we have to remember that funds are fungible and that they can be used in this manner.

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

The CHAIRMAN. Does the gentlewoman from New York seek to control the time in opposition?

Mrs. LOWEY. I do, Mr. Chairman.

The CHAIRMAN. The gentlewoman from New York (Mrs. LOWEY) is recognized for 5 minutes.

The gentleman from New York (Mr. GILMAN) continues to reserve his point of order.

Mrs. LOWEY. Mr. Chairman, I yield myself such time as I may consume.

I rise in strong opposition to the Paul amendment which would eliminate all of our international family planning and population programs. The House rightly rejected this amendment last year by a vote of 145–272. I respectfully submit that we do so again with an even larger margin.

Our family planning and population programs work hand in hand towards one very worthy goal, advancing the health and well-being of children and families. Simply put, if you seek healthy children, you must have healthy mothers. There is a strong relationship between educating women on safe motherhood, voluntary family planning and child survival. Planning pregnancies is one of the most powerful and effective child survival tools in existence. Postponing early high-risk pregnancies, giving women's bodies a chance to recover from a previous pregnancy, and helping women to avoid unintended pregnancies and unsafe abortion can prevent at least one in four maternal deaths.

We hear again and again that women die from having children too young, having children too closely spaced together, and by having more children than their bodies can bear. Getting that message out across to women is an integral part of our population and family planning work because healthier mothers will be better able to care for their children.

Children born to mothers who wait 2 years between births have a much stronger chance of survival than those born to moms whose births fall less than 2 years apart. Giving women this information can save children's lives, can save women's lives. We have to do all we can to encourage and reinforce the messages of voluntary family planning, safe motherhood, child survival. This amendment would absolutely destroy our efforts to help both mother and child. It would destroy the efforts of the barber in this small village in India to be taught while he is cutting the hair of these men how to work with the men and women in teaching them, educating them. That is what family planning is about in the poorest parts of our world.

I strongly urge my colleagues to vote against this amendment.

Mr. Chairman, I yield the balance of my time to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I also rise in opposition to the Paul amendment and associate myself with the remarks of the distinguished gentlewoman from New York (Mrs. LOWEY), who has been a leader on this international family planning issue as has the gentlewoman from New York (Mrs. MALONEY) and so many others in the House of Representatives. But as a member of our subcommittee, the gentlewoman from New York (Mrs. LOWEY) has led the way.

This is a hard amendment for me to understand. Maybe we need a lesson in the birds and the bees in this Chamber. We really have to be thinking seriously about what the message is that will come out of this Congress if we vote to eliminate all funding for international family planning. The gentlewoman from New York explained obviously how necessary this is. We all want to reduce the number of abortions that take place. I myself personally consider abortion a failure, a failure of education, of prevention, of opportunity for women to be in control of their lives and control the timing and size of their families. But that is so fundamental.

If you want to reduce the number of abortions, as we all do, does it not make sense, Mr. Chairman, that we would, therefore, try to prevent conception and give people an informed way in which to do that.

So I understand and respect everyone's view on this subject. I understand it more easily in terms of the gag rule, which I do not support, but I understand that. But as a woman, the idea that we would even consider on the floor of this House the notion that we should cut off funding for international family planning is incomprehensible to me for the following reasons:

One, it would not reduce the number of abortions, family planning. Two, we have the opportunity from the standpoint of population and the environment, we have a responsibility to be responsible. I think that I am going to have to yield back to the gentlewoman, but I do so bewildered by the maker of this motion.

The CHAIRMAN. The time of the gentlewoman from New York (Mrs. LOWEY) has expired. The gentleman from Texas (Mr. PAUL) has 1 minute remaining.

Mr. PAUL. Mr. Chairman, I yield myself such time as I may consume.

Let me see if I can explain as an obstetrician the fundamentals of the birds and the bees, about the fundamentals of law. Under the Constitution we are not permitted to do these things.

I agree with much of what has been said. I believe in birth control, and I believe it should be voluntary. But this is not voluntary on the part of the American taxpayer. They are the ones who suffer the consequence of the involuntary compulsion of the tax collector coming and compelling the American taxpayer to fund things that they find immoral and wrong. That is the lack of voluntary approach that you have.

Yes, there are a lot of good intentions. I think that is very good. But there are a lot of complications that come from these procedures. As I mentioned before, this nonoxynol, it is a spermicidal, and it increases the spread of AIDS. Good intentions, unintended consequences. The American taxpayers are subsidizing this.

What we are saying is that there is a better approach. There is a voluntary approach through donations, through our churches. But not through the compulsion of the IRS telling the American taxpayers that they are compelled to pay for an egregious act that they find personally abhorrent.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Does the gentleman from New York wish to make his point of order?

POINT OF ORDER

Mr. GILMAN. Mr. Chairman, I raise a point of order against the amendment on the grounds that it violates clause 2 of rule XXI in that it constitutes legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Texas wish to be heard briefly on the point of order?

Mr. PAUL. Yes. This is an amendment that I have brought up on several occasions. As the gentlewoman just mentioned, we have voted on it. She cited the votes that we have had on previous occasions. We have done this before. The one question that they have is whether or not these funds can be used for lobbying. Of course the Mexico City language, the funds are permitted to be used for lobbying and prevention of lobbying for the change in the promotion and the propagandizing for abortion and birth control.

I would say this conforms with the Constitution, it conforms with this bill, it conforms with what we have done for the past several years, and it is strictly, narrowly defined as a prohibition of funds to be used to perform population control.

The CHAIRMAN. The Chair is prepared to rule.

The gentleman from New York makes a point of order that the amendment offered by the gentleman from Texas proposes to change existing law, in violation of clause 2(c) of rule XXI.

As recorded in Deschler's Precedents, volume 8, chapter 26, section 52, even though a limitation or exception therefrom might refrain from explicitly assigning new duties to officers of the government, if it implicitly requires them to make investigations, compile evidence, or make judgements and determinations not otherwise required of them by law, then it assumes the character of legislation and is subject to a point of order under clause 2(c) of rule XXI. Specifically, subsections (a)(4) and (b)(4) of the proposed section in the amendment offered by the gentleman from Texas require new determinations not required under existing law.

Therefore, the point of order against the amendment is sustained.

AMENDMENT NO. 23 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 23 offered by Mr. TRAFICANT:

At the end of the bill, insert after the last section (preceding the short title) the following new title:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

SEC. 701. None of the funds appropriated in this Act shall be made available to the Palestine Authority.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from Ohio (Mr. TRAFICANT) and a Member opposed each will control 5 minutes.

Mr. OBEY. Mr. Chairman, I would claim the time in opposition to the amendment.

The CHAIRMAN. The gentleman claims the time in opposition. The gentleman from Ohio (Mr. TRAFICANT) is recognized for 5 minutes on his amendment.

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

In 1994, the United States signed an agreement with Palestinian authorities to encourage American investment with the Palestinian Authority, and this would allow the use of OPIC funds.

In 1995, Vice President AL GORE asked a company in my district to be, in fact, the first investor in Gaza. The Bucheit Company got OPIC insurance and made a multi-million dollar investment in Gaza, the first, encouraged by Vice President AL GORE.

The company entered into contracts with the Palestinian Authority and hired and trained workers in Gaza. There were irrevocable written instructions to block wire transfers and dollars.

In January of 1996, the American company got a $1.1 million loan from OPIC to expand the business in Gaza. They wired the funds from D.C. to Gaza. The money was stolen, never put into accounts. The State Department said, ''It is a private commercial matter. Take it to court.'' They took it to court in Cleveland. They won. They were awarded triple damages. But now it is being appealed. So last year we got language in the bill saying, Let's work this out.

In October of 1999, OPIC wrote two letters asking the Palestinian Authority questions concerning the situation. I want the chairman and the gentleman from Wisconsin (Mr. OBEY) to hear this. The Palestinian Authority admitted wrongdoing. They admitted to making fraudulent checks to a fictitious company that were cashed in 1996 and 1997. Then they seized the equipment of the company and still hold it.

Under the 1994 agreement, any disputes have to either be amicably settled or taken care of through arbitration or legal means and they said, We're not going to do anything about it.

When the company got the OPIC loans, they had to put liens on their property. So when everything was defaulted on, the company paid the loans out of their own pocket. The Palestinian Authority still has their equipment. They have told us to go to hell.

My amendment comes right to the point to prohibit any funding for the Palestinian Authority.

Mr. Chairman, I reserve the balance of my time and ask how much time I have remaining.

The CHAIRMAN. The gentleman from Ohio has 2½ minutes remaining.

Mr. OBEY. Mr. Chairman, I have only one speaker and I understand it is my right to close.

The CHAIRMAN. The gentleman is correct. The gentleman from Wisconsin has the right to close.

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Here is where we are. We had another amendment that would be listed as out of order because it would prohibit any funds going to the Palestinian Authority until they resolve not only this case but several other American companies that have been ripped off.

If we are going to leverage American dollars, make investments with private companies, then have those companies go overseas and be ripped off, then who do we represent?

Mr. Chairman, I yield to the gentleman from Alabama (Mr. CALLAHAN), the distinguished chairman.

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman for yielding, but to tell the gentleman that we should protect American companies as you are doing for your constituents in Ohio.

As the gentleman knows, I have addressed this matter with the director of OPIC and told him that if indeed moneys were expropriated by the Palestinian Authority, well, then they should discontinue the delay in making a decision.

But the gentleman is right. As he well knows, the Palestinian Authority is going to be here in just a few months because they are out meeting at Camp David now, making concessions, saying that we are going to give them all of these billions of dollars if they will sign this peace agreement. I would just like to echo what the gentleman is saying.

□ 1400

If we indeed are going to start giving money to the PLO, then they are going to have to abide by standards of cooperation with the rest of the world.

Mr. TRAFICANT. Mr. Chairman, reclaiming my time, is the chairman supporting my amendment?

Mr. CALLAHAN. The chairman is supporting the gentleman's cause, and, if indeed there was not an objection, I probably would vote for the amendment.

Mr. TRAFICANT. I did not bring the one that is subject to a point of order.

Mr. CALLAHAN. I understand that.

Mr. TRAFICANT. I am asking for the gentleman's vote. That is the only protection this Congress has.

Mr. CALLAHAN. I just told the gentleman that if the amendment were to come to the floor, I probably would vote for it.

Mr. TRAFICANT. I expect that it will.

Mr. Chairman, let me close by saying this: Rip them off. Go ahead. Rip off American companies and let monarchs and dictators say ''Go to hell. Go to court.'' Not in my district. I want an ''aye'' vote on my amendment.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The gentleman from Wisconsin (Mr. OBEY) is recognized for 5 minutes in opposition to the amendment.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume. I ask the Chair to let me know when I have consumed two minutes.

Mr. Chairman, if we can eliminate the bloviating, let me simply say that I oppose this amendment for two reasons: Number one, it is my understanding, we do not have the facts in this case. We do not have the facts in this case, and we should not take an action which could interfere drastically in the peace talks now going on at Camp David on the basis of a 5-minute explanation from one Member of Congress who has an ax to grind on the subject. The gentleman may be right; he may be wrong. All I know is that my understanding is that at this very moment the company to which the gentleman refers may be under investigation by the U.S. Government itself for the way it does business.

Secondly, for us to eliminate all funding for the Palestinian Authority would be incredibly against the interests of the United States Government. The last time I talked to Prime Minister Rabin before he was assassinated, he said to me, ''For God's sake, do not let anyone interfere with the ability of the United States Government to deal with the Palestinian Authority, because if you cannot deal with them, then the only party left on the Arab side you can deal with in the Middle East is Hamas, and they are terrorists, and then there will be no hope at all for an agreement for peace in the Middle East.''

Mr. Rabin gave his life looking for that peace, so did Mr. Sadat, and I do not think that that should be disregarded because one Member of Congress has come to believe that one company, which may be under investigation by our own Government, that

their interests ought to take precedence over the United States' national interests.

Mr. Chairman, how much time have I consumed?

The CHAIRMAN. The gentleman has 3 minutes remaining.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut (Mr. GEJDENSON).

PARLIAMENTARY INQUIRY

Mr. TRAFICANT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TRAFICANT. Mr. Chairman, the gentleman said he had but one speaker remaining, or I could have reserved my time.

Mr. OBEY. Since I said that, the distinguished minority whip has asked to speak, and so has the gentleman from Connecticut.

Mr. TRAFICANT. Then the gentleman should have notified me.

Mr. OBEY. I cannot see ahead of time.

Mr. TRAFICANT. The gentleman has also made allegations of an investigation of a company.

Mr. OBEY. Mr. Chairman, this is my time.

The CHAIRMAN. All Members will suspend.

Mr. TRAFICANT. Mr. Chairman, further parliamentary inquiry. Being that the gentleman said he had only one speaker, and I closed, is it in order to at least let me have a minute to respond to these types of statements, or shall we keep to the fact that the gentleman claimed he had but one and forced me to utilize my time?

The CHAIRMAN. The Chair would ask all Members to suspend.

Under the rules and precedents of the House, the gentleman from Wisconsin defending the committee position has the right to close debate. Other statements which may be made in the course of the debate cannot be enforced, of course, by the Chair.

The gentleman from Wisconsin has 3 minutes remaining.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut, because I have another Member who also has informed me he wishes to comment on the amendment.

Mr. GEJDENSON. Mr. Chairman, the gentleman from Ohio has one company with a problem in the Palestinian entity. I have a list here that we just in moments put together of 42 countries where American businesses have disputes. If we are going to end our foreign policy every time there is a corporate dispute, we ought to just pack up and go home.

We have had five wars in the last 50 years in this part of the world. We have had women and children killed, including Americans, in terrorist activities and accidental bombings and attacks. We are at Camp David today trying to end this conflict that has gone on for a century. I admire the gentleman for caring about his constituent, but our responsibility here for this unique opportunity for peace cannot be squandered for one economic debate.

Reject the amendment. Support the effort at Camp David.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan (Mr. BONIOR), the distinguished minority whip.

Mr. BONIOR. Mr. Chairman, I want to also associate myself with the distinguished gentleman from Wisconsin (Mr. OBEY) and the gentleman from Connecticut (Mr. GEJDENSON).

I rise in strong support of the Middle East process and in strong opposition to the Traficant amendment. Right now, as the gentleman from Connecticut has said, the leaders of Israel and the Palestinian Authority are meeting in Camp David seeking to forge an agreement to end a generation of conflict. That leaves us with a very clear choice today: Do we support that process, or do we seek to disrupt or possibly derail a just and lasting peace in the Middle East?

Now is not the time to be cutting or conditioning aid to the Palestinian Authority, or to Israel. It is in our own interest to support this peace process and to help build the foundations of peace and progress for the Middle East.

I strongly urge my colleagues to resoundingly defeat this amendment.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me simply say to the gentleman from Ohio, after the peace talks are over we will have plenty of time to assess the conduct of both the Palestinian Authority and the conduct of the company in question, and if at that time it is clear that the U.S. Government is satisfied with the business practices of that company, and if the U.S. Government concludes that it is in the interests of the U.S. taxpayer to proceed, then I will be happy to entertain such a proposal. But until that point, I believe that it would be irresponsible of us to proceed with this amendment at this time. So I would urge a no vote on the amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. TRAFICANT. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 546, further proceedings on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT) will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT NO. 6 OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. BURTON of Indiana:

At the end of the bill (preceding the short title), insert the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

LIMITATION ON ASSISTANCE FOR THE GOVERNMENT OF INDIA

SEC. 701. Of the funds appropriated or otherwise made available in this Act in title II under the heading ''BILATERAL ECONOMIC ASSISTANCE–FUNDS APPROPRIATED TO THE PRESIDENT–DEVELOPMENT ASSISTANCE'', not more than $35,000,000 may be made available to the Government of India.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from Indiana (Mr. BURTON) and a Member opposed each will control 10 minutes.

For what purpose does the gentleman from Alabama rise?

Mr. CALLAHAN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Alabama will control the time in opposition.

The Chair recognizes the gentleman from Indiana (Mr. BURTON.)

Mr. BURTON of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for the past probably 10 or 12 years, maybe even longer, I have been coming to the floor talking about the atrocities that have been taking place at the hands of the Indian government in places like Kashmir, Punjab, Nagaland, and other places in India, and today this amendment is merely to update my colleagues and anybody else who is paying attention as to where we stand on this issue.

When only a few hundred people were killed in Haiti, we sent 20,000 troops into Haiti at taxpayer expense, and the problems there have not been resolved. In the Sudan, over 2 million people have been killed, and the United States has not really done too much.

In Kashmir, there are half a million Indian troops that have been there for years and years and years imposing marshal law, gang raping women, taking men out of their homes in the middle of the night never to be seen again, except maybe turning up in the streams around Kashmir with their hands and feet bound, having been tortured and drowned.

Amnesty International concludes the policies of the Indian government in Kashmir to be an official policy of sanctioning extrajudicial killings. Another half million troops are in Punjab, right next to Kashmir.

If U.S. action and attention was justified in places like Kosovo and Bosnia around the world, then we at least ought to be paying attention to what is going on in the area of human rights violations in places like Kashmir and Punjab and Nagaland and other places in India.

India does not allow Amnesty International or other human rights groups to go into these areas. Even Cuba, the last communist bastion in our hemisphere, allows Amnesty International in. India has killed over 200,000 Christians in Nagaland since 1947, 250,000 Sikhs in Punjab have been killed since 1984, more than 60,000 Muslims in Kashmir have been killed since 1988, and thousands of Dalits, or what they call the untouchables, the blacks in India, have been killed. We do not know how many of them.

According to our own State Department, India paid over 41,000, 41,000, cash bounties to the police for killing innocent Sikhs from 1991 to 1993. They actually paid bounties to kill some of those people.

In Punjab, Sikhs are picked up in the middle of the night, only to be found floating dead in the canals with their hands and feet bound. As I mentioned before, the same thing happened in Kashmir. Some Sikhs are only so fortunate, and others are just never found.

Recently, India's Central Bureau of Investigation, the CBI, told the Supreme Court that it had confirmed 2,000 cases of unidentified bodies that were cremated by the military. Their families did not know what happened to them. They were all piled up and cremated.

It does not get any better in Kashmir. Women, because of their Muslim beliefs, are taken out of their homes in the middle of the night and gang raped, while their husbands are forced to stay inside.

The State Department says on page 3 of its report released this year, ''The National Human Rights Commission does not have the power to investigate the military's actions in that area.''

They went on to say, ''The Indian government rejected the Commission's recommendations to bring the army and paramilitary forces under closer scrutiny by allowing the Commission to investigate complaints of their excesses.'' So the military has so much power, the Human Rights Commission in India cannot even look into these things.

Human Rights Watch, an international organization, says, ''Despite government claims that normalcy has returned to Kashmir, Indian troops in the State continue to carry out summary executions, disappearances, rape and torture.'' That is from this year's Human Rights Report, the 1999 Human Rights Report, issued last July.

''Methods of torture include severe beatings with truncheons, rolling a heavy log on the legs, hanging the detainee upside down, and using electric shocks on various parts of their body.'' Just imagine what it would be like if you had to go through that.

''Security forces are making Dalit women,'' the untouchables, ''eat human defecation, parading them naked, and gang raping them.''

Amnesty International says, ''Torture, including rape and ill-treatment, continued to be endemic throughout the country.'' That is in their annual report.

''Disappearances continue to be reported during the year, predominantly in Jammu and Kashmir.'' Amnesty International again, the recent report.

''Hundreds of extrajudicial executions were reported in many States.'' Again, in the same report.

In July of 1998, police picked up Kashmira Singh. Police said they were investigating a theft. They then tortured him for 15 days. They rolled logs over his legs until he could not walk. They submerged him in a tub of water and slashed his thighs with razor blades and stuffed hot peppers into the wounds.

Muslim persecution. March 1996, Mr. Jalil Andrabi, chairman of the Kashmir Commission of Jurists and a human rights advocate, was abducted and slain 2 weeks before he was to travel to Geneva to testify before the U.N. Human Rights Commission.

□ 1415

Christian persecution. Since Christmas day of 1998, there has been a wave of attacks against Christians all over the country. Churches have been burned, Christian schools and prayer halls have been attacked, nuns have been raped and priests have been killed. Our State Department agrees, there has been a sharp increase in attacks against Christians and Christian organizations. This past weekend, just this past weekend, two churches were bombed in India. Last month, a women's prayer meeting was bombed by militant Hindus. Last month, four Christian missionaries who were distributing Bibles were beaten, one so severely that he may lose both his arms and his legs.

Right now, we are talking about giving India more money. We are talking about today in this appropriation bill giving them more money and yet India has increased their military budget this year by 28 percent. They are spending hundreds of millions of dollars on conventional and nuclear weapons, and we are subsidizing, indirectly, that proliferation of weaponry. This year, the President has requested $46.6 million for developmental assistance to India through AID. That is an increase of almost $18 million from last year's request. I cannot recall the President asking for this large of a request for India ever.

I understand that the Glenn amendment, which passed the U.S. Senate, is currently imposing sanctions on India for some of these violations. So why should we be increasing aid to a country that we are currently sanctioning for human rights abuses and other travesties? It makes absolutely no sense to me.

We are talking about 25 percent cut with this amendment. I think it is justifiable, it sends a strong message, one that will be heard around the world, but especially in India.

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

Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume.

I would like to thank the gentleman from Indiana for agreeing to withdraw his amendment, which I understand he is going to do momentarily.

The objective, or my objective in handling this bill is to wind up with a final document that does not have offensive language in there to my views or the views I think of the majority Members of Congress. The very fact that the gentleman has agreed to withdraw it gives me my victory, and I can see no sense in standing here all day long and delaying the possibility of whether or not Members are going to be able to get out of here in a timely fashion to catch their arranged flights to go home for the weekend. So I have accomplished my mission, and that is that the offensive language to me, with respect to India, is going to be withdrawn and the amendment is going to be withdrawn.

But out of deference to those who want to speak in response to the gentleman's remarks, I am going to yield 7 of my 10 minutes to the gentlewoman from California (Ms. PELOSI), with the forewarning, Mr. Chairman, that she is not going to come forward with a unanimous consent request to extend this debate and preclude the possibility of Members getting out of here in a timely fashion this afternoon.

Mr. Chairman, I yield 7 minutes to the gentlewoman from California (Ms. PELOSI), and I ask unanimous consent that she be permitted to control that time.

The CHAIRMAN. Without objection, the gentlewoman from California (Ms. PELOSI) controls 7 minutes which she may yield to others.

There was no objection.

Ms. PELOSI. Mr. Chairman, I rise in opposition to the Burton amendment. I yield 2½ minutes to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Chairman, I am in opposition to the amendment offered by the gentleman from Indiana. I only regret that we do not have as much time to put the light of truth to so many of the things that he said, because we have not been given equal time in this debate.

That being said, the House has rejected the gentleman's amendment on repeated occasions, and I do hope and expect it will do so again today. I think it should be clear to all by now that punishing India by cutting our assistance is not a policy that this U.S. Congress will adopt.

The Burton amendment is the wrong amendment at the wrong time. In the wake of the President's successful visit to India, the U.S. and India have a new opportunity to build a broad-based relationship. Instead of applauding India for establishing a joint working group with the U.S. to fight against terrorism, the amendment would punish India by cutting crucial assistance.

The gentleman makes a great many allegations about human rights abuses in India, but conveniently ignores the fact that the people of India are the major victims of terrorism perpetrated by groups supported and trained in Pakistan and associated with Osama bin-Ladin. In fact, after the Kargil incursion and the hijacking of an Indian Airlines plane to Afghanistan, the Pakistani-backed terrorists have stepped up their attacks on innocent civilians and security forces in Kashmir.

To characterize India's struggle against terrorism as a violation of human rights is not only unjust, but also provides aid and comfort to the terrorists who have claimed thousands of innocent victims in India. That there are things that go wrong in any civilized society, including India, are true, and some of the things the gentleman points out are true, but these are not done by the government of India.

Mr. Chairman, churches are bombed and burned here. People are killed every day here. Women are raped every day of the year here. These things are terrible, but it does not mean that our government is responsible. The best way for us to help India continue to improve its human rights record is to engage in positive and constructive dialogue, one great democracy to another, not with punitive sanctions and cuts.

The momentum that we have gained in relations by the President's visit needs to be strengthened and sustained. For Congress to act now to stigmatize India for alleged human rights abuses would send the wrong signal to the 1 billion democratic people in India. I urge all of our colleagues to reject this amendment.

Ms. PELOSI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Chairman, I rise in strong opposition to the amendment of the gentleman from Indiana (Mr. BURTON). This is the time that we should be working together on environmental, education, and health issues.

Ms. PELOSI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise, as I have many times, in opposition to the Burton amendment, and for our continued support for the world's largest democracy.

Mr. Chairman, I rise today to express my strong opposition to this ill-conceived amendment.

This legislation has many problems, but one of the bright spots is a continued commitment to our Indian allies.

Unfortunately, this amendment will unfairly cut the critically-needed economic assistance funding for India included in this legislation.

As an important ally and a nation committed to strong democratic government, India has worked hard to ensure that the human rights of all its citizens are protected.

The Indian government has aggressively responded to assaults against religious minorities and has repeatedly expressed its commitment to ensuring tolerance. Recently, in response to attacks on Christians, Prime Minister Vajpayee reiterated his nation's desire to be inclusive of all faiths and to ensure equal justice under law for all Indians. We should support these efforts.

India is also one of our key trading partners and the Indian government has worked hard to create a friendly environment for U.S. firms.

As a result, U.S. investment in India has skyrocketed in the last ten years. Direct U.S. investment in India has increased from $500 million in 1991 to more than $15 billion today.

Indin has demonstrated a commitment to continue this growth and I strongly believe that we must support their efforts.

As a key ally and a fellow democracy, India deserves our support.

However, Congressman BURTON's amendment, rather than rewarding India, seeks to punish the people of India by withholding crucial humanitarian assistance.

India is a strong and vibrant democracy. It is the world's largest democracy. And, the U.S. is India's largest trading partner and largest investor.

The momentum gained in U.S.-India relations in recent years needs to be sustained and strengthened.

A vote for the Burton amendment would send the wrong signal to the people of India from the U.S. Congress at this very critical time.

I urge a "no" vote on the Burton amendment and yield back the balance of my time.

Ms. PELOSI. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Chairman, the arguments against the punitive anti-India amendment are stronger this year than they have ever been. In March, President Clinton completed the first visit to India by an American President in more than 20 years. The President's trip accompanied by a bipartisan congressional delegation produced a range of agreements on trade and investments, security partnerships and cooperation on energy and the environment. In September, India's democratically elected prime minister will be visiting the U.S. to further build upon this progress, especially in the area of economic relations.

India is the world's largest democracy. It is a country that has made tremendous progress in free market economic reforms over the past decade. But more to the point, since the gentleman from Indiana has been critical of India's human rights records, India's Human Rights Commission has been praised by our State Department and many international agencies for its independence and effectiveness. Indeed, India has become a model for the rest of Asia and the rest of the developing world in terms of democratization, economic reform and human rights.

Finally, Mr. Chairman, cutting aid to India only serves to hamper America's efforts to reduce poverty, eradicate disease and promote broad-based economic growth in the world's second most populous Nation. This amendment never made any sense, and it certainly makes less sense now.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, it is in America's national interests to support and sustain India's development. The Commerce Department identifies India as one of the 10 Big Emerging Markets. With a growing high-tech industry, combined with the support and confidence of American investment, India has positioned itself to be one of the great success stories of the 21st century.

India has made tremendous progress in addressing human rights issues. The State Department has praised India for its substantial progress in the area of human rights. It is a strong, vibrant democracy that features an independent judiciary, diverse political parties and a free press, which vigorously assists in the investigation of human rights abuses.

This amendment threatens the relationship between the United States and the Republic of India. We should not be punishing countries like India, an example of freedom and democracy in Asia, while rewarding authoritarian governments like China which supports forced labor, which opposes freedom of the press, which opposes freedom of religion.

Mr. Chairman, the Burton amendment is a step in the wrong direction for American foreign policy. We should oppose it.

Ms. PELOSI. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, because I believe that we want peace in India and Pakistan, and my visit with the President in those countries, I ask that we oppose this amendment so that peace can be had in those nations.

Ms. PELOSI. Mr. Chairman, I yield 1 minute to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Chairman, it never ceases to amaze me that we come out here on this Burton amendment again. It is going to lose. But I implore my colleagues to look seriously and objectively at India. The proponents of this amendment say that India suppresses and violently intimidates its religious minorities. To use a Hindi word, that is bakwaas; that is absolute nonsense. The Indians know they have a problem, but they are the most secular country in the world. They appointed a Supreme Court inquiry, only the second time in their history, to look at the death of an American missionary. They also have a separate Human Rights Commission that operates in this country.

In contrast, consider our own treatment of Arab Americans in this country. When they are portrayed as terrorists, we turn a blind eye. India recognizes their problem and deals with them. I believe that India has problems, but it is a nation that is dealing with them. Rather than debate these kinds of amendments, we ought to find ways to work cooperatively with India to support their development.

Vote against the amendment.

Mr. Chairman, here we are discussing the Burton amendment yet again. It never passes, and as far as I can tell, is brought up just to be inflammatory.

I implore my colleagues to look at the nation of India objectively. Since Independence, India has been a thriving democracy where suffrage is universal and voting rates are higher than the United States.

Unlike most former colonial nations, India has never suffered under a military dictator. The United States Military has more influence and participation in our government than the Indian Military has in theirs. India is a stable democracy, arguably the strongest and most stable in all of Asia.

Proponents of this amendment say that India suppresses and violently intimidates its religious minorities. That is bakwaas—pure nonsense. India is one of the most secular states in the world. India recognizes and guarantees religious freedoms and has the commitment to the rule of law to enforce those guarantees.

There have been isolated incidents—anomalies really—that have made the worldwide news, however, India has publicly, officially, and resoundingly responded. India appointed a Supreme Court inquiry, for only the second time in this country's history, to investigate an instance of a Christian missionary's death. Also, India has a separate Human Rights Commission that is active and highly independent.

What is our response in this country when American-Muslims are depicted vilely as terrorists? We blindly turn away. India admits these problems and addresses them in the courts as well as and in the open and totally free press.

India has its problems, but it is a nation dealing with those problems. Rather than debate amendments that divide the US and India, we ought to work with India help come to grips with their problems and be a partner in the development of technology, trade and culture. The US and India have much in common and the potential to be great partners, we must not cut India off.

Ms. PELOSI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I rise in opposition to the Burton amendment.

Mr. Chairman, I rise in opposition to my good friend from Indiana's amendment. While I commend my colleague's sincere concern about human rights and his tireless work on behalf of the oppressed, I have to disagree with him about his assessment regarding India. India has a fiercely democratic system that protects and promotes religious freedom and an independent judicial system.

We must not forget that the tensions between the people of India and Pakistan are to a very large degree fueled by communist China. Beijing's mischief making in Burma, Pakistan, Sri Lanka and occupied Tibet, nations that surround India, is a dangerous attempt to keep democratic India off balance. China has sold over $2 billion in arms to the drug dealing Burmese junta. It has given or sold nuclear and conventional weapons to Pakistan. China occupies Tibet on India's northern border and Beijing is Sri Lanka's major supplier of arms.

India faces a difficult challenge in fighting extremists. The same vicious terrorists who attack innocent Indians are also responsible for the deaths of many innocent Americans. And our requests to the Pakistani government to pressure their Taliban clients to turn over the Saudi terrorist Osama bin Ladin to American law officers has fallen on deaf ears.

I regrettably, oppose my good friend's amendment. We need to work closer with democratic India to promote our similar concerns throughout the region. However, this is a wrong amendment targeted at the wrong country.

Accordingly, I urge my colleagues to vote against the resolution.

Ms. PELOSI. Mr. Chairman, I yield 1¼ minutes to the gentleman from Connecticut (Mr. GEJDENSON), the distinguished ranking member of the Committee on International Relations.

Mr. GEJDENSON. Mr. Chairman, I thank the gentlewoman from California for her excellent work on this and so many other issues.

We have had an interesting year. President Clinton has led a delegation to India and we have begun to undo the damage of the Cold War where these two great democracies, the United States and India, did not have the best of relations. The Burton amendment is inappropriate almost any time; it is particularly inappropriate at this moment. We need to build a closer relationship with this largest free country in the world.

It is easy for us to run our democracy with the great wealth we have. India runs a democracy in excess of 1 billion people with some of the poorest people on this planet. We ought to be working to make a closer relationship between India and the United States, these two great leading democracies, and not drive a wedge between them. I urge rejection of this amendment and the concept that somehow India should be a whipping boy. India should be admired for its great successes in building a democracy in one of the largest and one of the poorest countries with some incredible economic development.

I want to commend the gentlewoman from California for her work in these last several days and all of her work here.

□ 1430

Mr. BURTON of Indiana. Mr. Chairman, I am happy to yield 2 minutes to my good friend, the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Chairman, I rise in strong support of the proposition of the gentleman from Indiana (Mr. BURTON) that we not provide a 50 percent increase in aid to India. The fact is, we should be asking ourselves why, in a country that has a vibrant and growing economy, a country that is now moving forward on its own, is the United States continuing to give more and more foreign aid to a country like India.

Beyond that question, yes, let us concede that India is a democracy. We are proud that India has made some progress and stands in that region as a democratically-elected government. In Pakistan, I am afraid they have gone in the opposite direction.

But that does not mean that we should have a reflexive, a reflexive response to give India money, or just ignore the transgressions that the Indian government commits upon its own people. We should be encouraging this democracy to live up to the principles of human rights and freedom that they are violating, and not just try to cover it up.

The fact is that it is clear that there are severe violations of the rights of Christians, of Sikhs, of Muslims, that have been blessed by the Indian government, if not at the highest level, at the local level.

We must also recognize the continuing violence and terrorism on the subcontinent. Most of it flows from one fact, and that fact is that India has refused to allow a democratic election in Kashmir in order to solve a problem that a long time ago happened in 1948.

The United Nations has mandated that they have an election and permit the people of Kashmir and Jammu to control their own destiny. Then this terrorism that we have heard about would disappear. What we have now instead is terrorism on the part of government itself, trying to terrorize the people of Kashmir and other dissidents in India into submission.

Terrorism is nothing more than an attack on unarmed people. We see that in Kashmir, unarmed people are being attacked by soldiers who are trying to push them into submission because they know in a free election the Kashmiris would vote not to be part of India.

Let us not give India aid anymore. If we do, let us mandate democratic change and human rights.

Mr. CALLAHAN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Chairman, I thank the chairman for yielding time to me.

Mr. Chairman, I think in this debate we also need to think of India in strategic terms, not taking the action that the gentleman has proposed, which I think would be harmful to the relationship with India.

In strengthening our ties with India, we have the great advantage of common values of democracy and rule of law. With that, we can push for the further reforms we want to see in India. But I think we should all remember that it is going to take engagement to push for those reforms.

I think a decade of reforms by several governments has moved India from socialism and spurred economic growth. There is a new generation of Indians who have taken advantage of this liberalization of their economic climate, and frankly, I think that we see reforms coming to the fore in India. I think these reforms on the human rights front and in terms of trade can frankly succeed there because they have the rule of law as an underpinning.

I think there is an effective bridge with the Indo-American community. I think for those reasons this would be counterproductive. I think that increasing U.S.-India cooperation is about maintaining a regional security balance. I would urge withdrawal of the amendment.

Mr. CALLAHAN. Mr. Chairman, I yield myself such time as I may consume.

Once again, the object of this piece of legislation is to get a document that does not have language that is either offensive to my philosophy or even to the will of the House.

The gentleman from Indiana in the essence of time has agreed to withdraw his amendment. That is the purpose. The language will not be in there.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I will end by saying that a few years ago, this amendment did pass. Since then the other side, the Indian lobby, has been very effective. I congratulate them on their effectiveness.

The problem still exists, though. I hope one day we will not even have to talk about it because they will have solved that problem.

Mrs. CLAYTON. Mr. Chairman. Once again Mr. BURTON seeks to treat our friends in India in an unfair and unjust manner. The House should reject this ageless exercise by our colleague. This, like all the others over the years, is an ill-advised amendment.

This Burton Amendment, which would prohibit development assistance to India, is a step in the wrong direction.

The Government of India has consistently been moving at a rapid pace to strengthen its ties with the United States and the World. The economic and diplomatic relationship between the United States, the world's oldest democracy, and India, the world's largest democracy, can only be hurt by successful passage of this Burton amendment. We can not and must not ignore the important progress and mutual benefit we have achieved in recent years.

The Government of India has been on a constant pace of change, for the last decade. Recent elections have featured world record voter turnout, essentially free of violence.

Mr. BURTON, as usual, claims that human rights violations are taking place in India. That claim is not supported by the facts. As Members of Congress, we must be very careful not to view the Government of India as being callous to these alleged human rights violations.

India has made great strides in their battle to bring its various and diverse interests together. Indeed, recent reports by the U.S. State Department declare that India continues to make notable and important progress with its human rights problems. It would be false and misdirected to say that India is not our friend.

U.S. business in India has grown at an astonishing rate of more than 50% a year over the past ten years, with the United States becoming India's largest trading partner and largest investor.

India has more than a half century of democratic self rule, and we must not break the ties that we have so diligently strived to assemble. We must strengthen those ties. That is why we must defeat this latest Burton amendment

We must also note that Indian Americans have become an important and active part of the fabric of this Nation. Organized around the country, they too use their influence to press for continued improvement in their native land.

Reject this latest Burton Amendment! There is much too much at stake!

Mr. HOLT. Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Indiana, Mr. BURTON. This debate seems to be an unfortunate rite of summer here in the House. Every year we debate a Foreign Operation Appropriations bill and every year the gentleman from Indiana tries to cut funding for India, one of our most important allies. As in previous years, this attack should be rejected.

The amendment in question would eliminate programs aimed at improving India's development. As my colleagues know, U.S. aid to India is primarily used for food, family planning programs, child survival programs and infrastructure development. We should be doing all that we can to support India's government in stimulating economic development and opportunity for the Indian people, not standing in the way of these productive efforts.

Unfortunately, U.S. policy-makers have long neglected this important region, one that is home to one-fifth of the world population. That's why I applaud the efforts of President Clinton who visited India earlier this year and who has invited the Indian Prime Minister to the United States later this year.

There has been good news about India's economic performance in recent years; fiscal reforms, market opening and the privatization of state-owned companies has led to reduced inflation and tariffs as well as a reduced budget deficit. The economy's current 6 percent rate of expansion puts it among the fastest-growing in the world, as the Economist reported earlier last month. India's economic growth underlies its enhanced significance politically as a power that will play a decisive role for many years to come.

The U.S. is India's largest trading partner and largest investor. India continues to reduce and eliminate barriers to trade, and U.S. investment has grown from $500 million per year in 1991 to over $15 billion in 1999.

Passage of the Burton amendment, however, would be a blow to the flourishing bilateral partnership between the United States and India and a setback to Indian political and human rights reform.

As in previous years, the Burton amendment is wrong. It was rejected in a bipartisan manner. I urge all of my colleagues to again defeat this amendment.

Mr. BURTON of Indiana. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Indiana is withdrawn.

AMENDMENT NO. 32 OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 32 offered by Mr. BROWN of Ohio:

At the end of the bill, insert after the last section (preceding the short title) the following new title:

TITLE VII—LIMITATION PROVISIONS

SEC.____. No funds in this bill may be used in contravention of section 307 of the Tariff Act of 1930 (19 U.S.C. 1307).

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, the gentleman from Ohio (Mr. BROWN) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this amendment prohibits funds in the foreign operations appropriations bill from being used in violation of existing laws against the importation of goods made by forced labor; specifically, the Tariff Act of

1930. It is not a new law, but since this act was passed the U.S. Government has turned a blind eye to the repeated violations of the import of goods made by forced labor overseas.

Forced labor violates the rights of workers and undermines pro-democratic forces by providing financial resources and international support to the totalitarian dictators under whom they languish. The labor system, for instance, in the People's Republic of China, known as Lao Gai or reform through labor, imprisons 8 million Chinese in slave camps and mental institutions.

The Lao Gai prison systems continues Mao Zedong's politics of despotism. In these work camps prisoners are subjected to beatings, to torture, and to near starvation.

The United States imports $70 billion of goods from China, often goods made in these Lao Gai prisons.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, in the essence of time and with respect to those schedules that have been prearranged, I will be happy to accept the gentleman's amendment if we can discontinue debate on the subject.

Mr. BROWN of Ohio. I accept that, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. BROWN).

The amendment was agreed to.

Mr. CALLAHAN. Mr. Chairman, I move to strike the last word.

Ms. KAPTUR. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. I thank the gentleman for yielding to me, Mr. Chairman.

Mr. Chairman, I rise to enter into a colloquy with the distinguished chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

I would say to the gentleman from Alabama (Mr. CALLAHAN), I have serious concerns about the operation of our Nation's assistance programs with respect to Ukraine and Russia.

The gentleman and his subcommittee have been most helpful, but I believe there are some remaining items that need attention, particularly in the arena of agriculture, where U.S. policy towards Russia and Ukraine have lacked primacy, have generally supported the old order rather than reform, and have been unrealistic in meeting the basic needs of villagers and small holders who are raising the majority of food in both nations.

First, most people know that agriculture depends upon seasons. There is a time to plant, a time to nourish, and a time to harvest. No one of us can change this natural cycle.

However, it is my experience that the Agency for International Development has not been sufficiently sensitive to these natural deadlines when considering applications for program assistance in agriculture. Approvals are delayed past planting dates. Termination dates are set earlier than harvest dates. It is as if the project is being set up to fail because these natural deadlines are being ignored.

Can the chairman assure me that as we move towards conference on this bill, that we can work to be sure that AID focuses more attention on agricultural reform in Ukraine and Russia, that it improves the speed of its application review process, and that the duration of these projects comports with the seasonal deadline?

Mr. CALLAHAN. Reclaiming my time, Mr. Chairman, I understand the gentlewoman's concern and will be pleased to work with her to be sure that AID makes the improvement in its contracting process that she has suggested.

Ms. KAPTUR. I thank the chairman.

Secondly, anyone who knows Ukraine knows that its economic future will be highly dependent upon a reformed agricultural sector. To fail to recognize this fact in any development program is to ignore this country's natural strength.

While I know that the gentleman is not in a position to commit to a specific amount, I know that recent aid for agricultural development has been declining globally, both in terms of dollars and as a relative portion of the AID package.

Can the chairman give me any assurances that we can work to increase the proportion of assistance to agricultural reform efforts in any aid package that is provided?

Mr. CALLAHAN. Reclaiming my time, Mr. Chairman, again, I understand the gentlewoman's concern. Our committee report supports her approach.

Ms. KAPTUR. I again thank the chairman.

Finally, Mr. Chairman, with respect to the Russian food aid, the Agency for International Development has not placed a high enough priority on agricultural and food systems development there.

Would the chairman agree with me that any food aid provided to Russia should be leveraged for greater impact, that any resources generated by this aid should be directed toward substantial economic growth and a reformed agricultural sector, and that agricultural projects should focus on the private sector, especially small-scale producers, small hold farmers, and women in order to maximize impact in fostering reform and allowing aid to reach the greatest number of people?

Mr. CALLAHAN. I agree with the gentlewoman, we should always use our assistance programs in the most effective manner possible.

Ms. KAPTUR. I thank the gentleman for his understanding, his assistance, his cooperation, his leadership, and his dispatch.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Louisiana.

Mr. BAKER. Mr. Chairman, I thank the gentleman for yielding. As he knows, I have an amendment pending relative to the Panama Canal.

Given the gentleman's concerns with regard to the impact of the amendment and the timeliness of its consideration, there are approximately 30 Members who have expressed interest in the issues raised by this amendment in that with the abandonment of the United States' military presence in that theater, many of us are concerned about the threat of drugs coming through Panama into our Nation, as well as the inability of us to appropriately respond in the case of international defense needs.

For that reason, I was hoping to condition an appropriation in this act, to predicate it upon the good faith negotiations between the Government of Panama and the Government of the United States to allow the reinitiation of military presence, either at Howard Air Force Base or whatever appropriate location may be determined.

In light of the chairman's concerns about the consequences of this amendment, I will not offer the amendment, but wish to seek the chairman's agreement and assistance as this bill moves forward to seek whatever manner or remedy may be available to us to initiate discussions for the reestablishment of some military presence within the country.

I thank the chairman for his courtesies in yielding to me.

Mr. CALLAHAN. Reclaiming my time, Mr. Chairman, I thank the gentleman, and we will be happy to work with the gentleman to achieve his goals, because we share them.

VACATING REQUEST FOR RECORDED VOTE ON AMENDMENT NO. 23 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, with regard to my heretofore discussed amendment No. 23, I ask unanimous consent that the request for a recorded vote be vacated.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The amendment is not agreed to.

Mr. CALLAHAN. I move to strike the last word, Mr. Chairman.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I would ask for a brief colloquy with the

chairman relative to that issue, and ask the chairman, if he would, to see what would be possible to offer some remedy within reasonable means that might meet the effects of Congress.

Mr. CALLAHAN. Mr. Chairman, I certainly will work with the gentleman from Ohio to try to find some legislative solution to the problems that exist with the Palestinian Authority and the gentleman's company from Ohio, because I happen to believe that the gentleman's company from Ohio has a substantial claim that should be paid by the Palestinian Authority, if indeed there is a way to do it.

Mr. TRAFICANT. If the gentleman will yield further, I do not want in any way the form of that discussion to have any overtones on the importance of what is happening in the talks between Israel and the Palestinian Authority. I will defer to the good judgment of the chairman.

I thank the chairman for his consideration.

AMENDMENT NO. 24 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 24 offered by Mr. TRAFICANT:

At the end of the bill, insert after the last section (preceding the short title) the following new title:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

SEC. 701. No funds in this bill may be used in contravention of the Act of March 3, 1933 (41 U.S.C. 10a et seq.; popularly known as the ''Buy American Act'').

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentleman from Ohio (Mr. TRAFICANT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment simply prohibits money in the bill that would be used to fund any action that would contravene the Buy American Act.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Alabama.

□ 1445

Mr. CALLAHAN. Mr. Chairman, I thank the gentleman from Ohio (Mr. TRAFICANT) for yielding. We accept his amendment.

Mr. TRAFICANT. Mr. Chairman, I yield as much time as she may consume to the gentlewoman from California (Ms. PELOSI), the ranking member of the committee.

Ms. PELOSI. Mr. Chairman, we accept the amendment and support the amendment.

Mr. TRAFICANT. Mr. Chairman, I urge an aye vote; and, Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The amendment was agreed to.

AMENDMENT NO. 48 OFFERED BY MS. KAPTUR

Ms. KAPTUR. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 48 offered by Ms. KAPTUR:

H.R. 4811

OFFERED BY: MS. KAPTUR

Page 132, after line 12, insert the following:

TITLE VII—ADDITIONAL GENERAL PROVISIONS

LIMITATION ON ASSISTANCE TO THE GOVERNMENT OF UKRAINE

SEC. 701. The amount otherwise provided by this Act for assistance to the Government of Ukraine under the heading ''ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION'', is hereby reduced by an amount equal to the amount of any claim outstanding on the date of the enactment of this Act by the United States Government, a United States business enterprise, or a United States private and voluntary organization against the Government of Ukraine or any Ukrainian business enterprise.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 12, 2000, the gentlewoman from Ohio (Ms. KAPTUR) and a Member opposed each will control 5 minutes.

Mr. GILMAN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from New York (Mr. GILMAN) reserves a point of order.

The gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes on her amendment.

Ms. KAPTUR. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment basically is a limitation amendment, limiting assistance to Ukraine reducing it by an amount equal to the amount of any claim outstanding on the date of enactment of this act, whether that to be a U.S. business enterprise, a U.S. private and voluntary organization against the government of Ukraine, or any Ukrainian business enterprise.

It is my intention, as I discuss this, to draw attention to the lack of resolution on claims by Land O'Lakes and Pioneer and other such claims.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. KAPTUR. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I was of the impression that the gentlewoman from Ohio (Ms. KAPTUR) and I, in the essence of time, I sought recognition to strike the last word to give her the ability to, I thought, express her views on this subject, which as the gentlewoman full well knows, is going to be ruled out of order, and in the essence of time I would ask the gentlewoman to keep her comments brief so we can get out of Dodge.

Ms. KAPTUR. Mr. Chairman, reclaiming my time, I do intend to keep them brief, but we entered into a colloquy and I appreciate the gentleman's forbearance on that, but this was in the form of an amendment.

I wanted to use the opportunity to speak about the lack of repayment by Ukraine of various debts that are owed to companies in our country and also to speak about U.S. policy toward Russia and Ukraine, particularly as it relates to a sector critical to long-term stability in those nations, agriculture and sustainable food production.

Mr. Chairman, sadly and incredibly, U.S. policy toward Russia and Ukraine have ignored agriculture and those nations governments are not inclined to pursue a path toward reform without prodding. U.S. policies have not only failed to elevate agriculture's importance as a key economic and social transformation mechanism; but our actions have generally supported the old order, rather than the new, and have been seriously deficient in meeting the basic needs of villagers and small holders who are raising the majority of food in both nations.

It is my intent to be very brief; however, I want to state for the record that students of history will attest, the economic and social systems of the former Soviet state were premised on the production of collective farms and the distribution of their earnings to social welfare concerns within those countries, everything from schools to hospitals. Thus, agriculture was more than a sidebar activity in the former Soviet Union. It was the spine of the economy.

When the Soviet system collapsed, the West made a very serious, and I might add continuing mistake, in its efforts to help those nations reform and transform. It has largely ignored agriculture. How myopic. Any serious effort to transform the economies of those nations must be rooted in the countryside.

Mr. Chairman, not only have the fundamentals of agricultural reform been largely absent from U.S. policy initiatives toward Russia and Ukraine, some of the steps we have taken have been absolutely wrong-headed. In Russia, for example, the direct food aid provided through AID and USAID has largely supported the very parastatal entities that still control production.

A year ago, when the U.S. Government, without a vote of this Congress, sent over $1 billion of food aid to Russia, there was no agreement that the proceeds of the sale of those commodities would be used for reform in the rural countryside. In fact, the proceeds are being deposited in the Russian pension fund, an account over which we have no control, no voice, no oversight.

Similarly in Ukraine, millions of dollars have been directed to what one can politely call the establishment, but not to people desperately trying to eke out a living. Take the issue of U.S. tractor sales to Ukraine. The sales were conducted through the government of Ukraine. Those tractors, which each cost $100,000 more than they would have cost in the free enterprise system, could only be afforded by the old collectives, not the humble entrepreneurs and women villagers in babushkas struggling to restore Ukraine as the breadbasket of that region.

Whether the West likes to admit it or not, the vast majority of food being produced in those countries is now occurring on the small holder plots, largely tilled by older women. Nothing from our billions of dollars have ever reached these deserving people.

Somebody somewhere better pay attention to what is happening in Russian and Ukraine. The West's media is captivated by the goings on in Moscow and Kiev and the political intrigue surrounding who the next prime minister or president will be.

I will tell my colleagues, put on your mud boots and walk into the countryside where the pain gets deeper. Who is paying attention to the fact that 70 percent to 80 percent of the diet of ordinary citizens in Russia and Ukraine is bread and potatoes?

It is my intention, Mr. Chairman, to withdraw this amendment.

Mr. Chairman, I want to put my statement in the RECORD. I am going to submit everything that has gone wrong in terms of aide assistance to Russia and Ukraine since independence was granted there.

I want to use this opportunity to speak about U.S. policy toward Russia and Ukraine, particularly as relates to a sector critical to long term stability in those nations—agriculture and sustainable food production. Sadly, incredibly, U.S. policy toward Russia and Ukraine have ignored agriculture. And, those nations' governments are not inclined to pursue a reform path without prodding.

U.S. policies have not only failed to elevate agriculture's importance as a key to economic and social transformation. But our actions have generally supported the old order rather than the new, and have been seriously deficient in meeting the basic needs of villagers and small holders who are raising the majority of food in both nations.

As students of history will attest, the economic and social systems of the former Soviet state were premised on the production of collective farms and the distribution of their earnings to social welfare concerns within the state—everything from schools to hospitals. Thus, agriculture was more than a sidebar issue in the former Soviet Union. It was spine of the economy. When the Soviet system collapsed, the west made a very serious—and I might add continuing—mistake in its efforts to help those nations reform and transform. It has largely ignored agriculture. How myopic. Any serious effort to transform the economies of these nations must be rooted in the countryside.

Not only have the fundamentals of agricultural reform been largely absent from U.S. policy initiatives toward Russia and Ukraine, some of the steps we have taken have been absolutely wrong headed. In Russia, for example, the direct food aid provided through AID and USDA has largely supported the very parastatal entities that still control production. A year ago, when the U.S. government, without a vote of the Congress, sent over $1 billion in food aid to Russia, there was no agreement that the proceeds of the sale of those commodities would be used for reform in the rural countryside. In fact, the proceeds are being deposited in the Russian Pension fund—an account over which we have no control, no voice, no oversight.

Similarly, in Ukraine, millions of dollars have been directed to what one can politely call the establishment, but not to people desperately trying to eke out a living. Take the issue of U.S. tractor sales to Ukraine. The sales were conducted through the government of Ukraine. Those tractors, which each cost $100,000 more than they would have cost in a free enterprise system, could only be afforded by the old collectives, not the humble entrepreneurs and women villagers in babushkas struggling to restore Ukraine as the breadbasket of that region.

Whether the West likes to admit it or not, the vast majority of food being produced in those countries is now occurring on the small holder plots, largely tilled by older women. Nothing from our billions of dollars have even reached these deserving people.

Somebody somewhere better pay attention to what is happening in Russia and Ukraine. The West's media is captivated by the goings on in Moscow and Kiev, and the political intrigue surrounding who the next prime minister or president might be. But I will tell you, put on your mud boots, and walk into the countryside where the pain gets deeper. Who's paying attention to the fact that 70 to 80 percent of the diet of ordinary citizens of Russia and Ukraine is bread and potatoes. Caloric intake is going down. If the price of bread rises, political unrest is not far behind.

Time and again, the people of those nations go waiting and wanting, while assistance from the West misses the mark—

In Russia, the Russian Rural Credit Fund that could help real Russian farmers develop private operations goes waiting and wanting for cash, while U.S. assistance flows into government coffers;

In Ukraine, in 1995, the U.S. government gave $3.6 million in commodities through Land O'Lakes to help Ukraine. The proceeds were to be used to help Ukrainian agriculture. But it didn't happen. For all these years, the U.S. government has tried to settle this matter, the latest offer being $1 million for settlement. Promises of payment were made last fall. Then last December, I personally asked newly reelected President Kuchma to intervene in this matter. Last winter, when I traveled to Ukraine, I left a similar request with the Prime Minister's office. Promises were made again when I held a meeting this year between USDA Secretary Dan Glickman and the Ukrainian Ambassador. But these promises have not resulted in performance. Instead, we have seen letter after letter, phone call after phone call, argument after argument about whether or not the right documents have been exchange or the correct contact number has been referenced.

Meanwhile, in Ukraine, the grandmas in babushkas who till the fields, and literally feed that nation, don't even have good shovels or seed. They get no real help either from the West or from the government of Ukraine. What kind of wrong headedness is this? Frankly, we'd be better off to send them seed packets and small rototillers with enough fuel to make it through the planting season. It would be more practical and hit a home run where it matters.

Our own Agency of International Development ignores the fact that agriculture depends upon seasons. There is a time to plant, a time to nourish, and a time to harvest. No one of us can change this natural timetable. So why would USAID ignore these natural deadlines when Americans attempting to make a difference in agriculture in the field face approval delays past planting dates? Or contract termination dates set earlier than harvest dates? It appears as if even the meager projects addressing rural reform are purposefully set to fail because natural deadlines are ignored.

Let me focus on the amendment relating to Ukraine. It basically is a limitation amendment—limiting assistance to Ukraine, reducing it by an amount equal to the amount of any claim outstanding on the date of the enactment of this Act—whether that be a U.S. business enterprise, a U.S. private and voluntary organization against the government of Ukraine or any Ukrainian business enterprise.

It is offered as a way of getting the attention of the government of Ukraine to the serious outstanding issues that block full cooperation between us, not just in agriculture but as partners in a market economy.

It is my intention to withdraw this amendment this year, in hopes that final resolution can be reached on such matters as Land O'Lakes and Pioneer Seed. But, I reserve my rights to attach this amendment to subsequent legislation.

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

The CHAIRMAN. Does the gentleman from New York (Mr. GILMAN) seek to control the time in opposition?

Mr. GILMAN. Yes, I do, Mr. Chairman.

The CHAIRMAN. Does the gentleman continue to reserve his point of order?

Mr. GILMAN. Mr. Chairman, is it the intention of the gentlewoman from Ohio to withdraw her amendment?

Ms. KAPTUR. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. It is my intention, Mr. Chairman, to withdraw this amendment this year, in hopes that final resolution can be reached on such matters as Land O'Lakes and Pioneer Seed; but I reserve my rights to attach this amendment to subsequent legislation, including perhaps legislation emanating from the gentleman's commitment at the appropriate point.

Mr. GILMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebreska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, I want to thank the gentlewoman from Ohio (Ms. KAPTUR) for bringing up this subject. I think what has happened in the latter decade of the 20th century, with respect to our assistance programs, internationally and American, to the former Soviet Union, certainly including Russia and the Ukraine, has really been a tremendous blow.

It has, I think, been counterproductive for causing them to move to a market-oriented economy. It has been counterproductive for democracy. In fact, it has contributed further to the corruption that has pervaded so many of the former Republics of the Soviet Union, including, unfortunately, Ukraine.

We have, as the gentleman knows, and I am sure the gentlewoman is involved directly, so many positive contexts with the people of Ukraine, but to see so much of our resources diverted. Recently, it was suggested by a reputable source, an independent source in this country, that as much as $1 billion to $1.5 billion in assistance, international, including American, is diverted each month to private bank accounts, at least exported from that country at a time when those countries really need to have capital, their own and to attract foreign capital.

We have this huge outflow through Cyprus and other points, and it is a robbery of the assets and the potential and the future for the Ukrainian people and for the Russian people and for some of the smaller republics of the former Soviet Union.

I think we really have to be more insistent; we need to be more careful in having auditing of exactly where these international funds have gone. It seems to me in the past we have had too many decisions made on supporting various leaders of the former Soviet Union, certainly in the case of Yeltsin, when, in fact, we should have been building institutions from the bottom up, and working with those governors and local officials where, in fact, we have something approaching honest government and accounting for the resources presented to them by the international community.

Mr. Chairman, the IMF resources have been misused. In fact, the leadership direction to the IMF has come unfortunately from this country and from this administration. So I regret greatly that we have lost this opportunity in so many of the taxpayers' funds and funds from the world's community have been diverted to improper means.

The gentlewoman raises questions about those Caterpillar tractors. I have heard the same story how they ended up in garages of the local officials there in a very corrupt process. American companies many times are left holding the bills, as well as our taxpayers. So I appreciate the gentlewoman bringing this up.

We need to have reform. We need to be more insistent to make sure that the funds we do provide are properly spent and accounted for; and I thank the gentleman from New York for yielding me the time.

Mr. GILMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Nebraska (Mr. BEREUTER) for the remarks. First of all, I want to commend the gentlewoman from Ohio (Ms. KAPTUR) for chairing the Ukrainian caucus, for keeping the Ukrainian problem before us in the Congress. I happen to have a large Ukrainian American constituency in my own area. I am very much concerned about the future of Ukraine and its democratic reforms. A great deal has to be done, and we thank the gentlewoman for her making certain that the Congress addresses these issues.

Ms. KAPTUR. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Chairman, I want to thank the gentleman from New York (Mr. GILMAN) for taking time out of his busy schedule to be here on such a critical issue.

I wanted to thank the gentleman from Alabama (Mr. CALLAHAN), the chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs, for allowing us just this moment. If so many billions of dollars were not involved, I would not press to spend a few extra moments here this afternoon.

I wanted to thank the ranking member, the gentlewoman from California (Ms. PELOSI), for allowing us this time.

We have had absolutely no other opportunity to bring this to international attention than this moment. We think it is the right time, and we look forward to working with the authorizing and appropriations committees in the future to keep our assistance on a short lease and to recover assets that are due to our company and our people and to move our aid in the direction of reform in both of those very strategic nations.

Mr. GILMAN. Mr. Chairman, does the gentlewoman withdraw her amendment?

Ms. KAPTUR. Yes, Mr. Chairman, I do.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I thank the distinguished gentleman from Alabama (Mr. CALLAHAN), and I want to commend the gentlewoman from Ohio (Ms. KAPTUR) for her leadership.

We have had this issue for our committee over and over again, and I know that we are all behind the gentlewoman on this and thank her for her leadership.

Ms. KAPTUR. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. CALLAHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, finally, we have arrived at the end of the bill, and in just a few seconds we are going to rise. I understand that there was a ceremony in the Rotunda and that has now ended and Members are now free to come back to the Chamber and we can now rise.

Mr. Chairman, I just want to tell the Members of the House that we have now a good bill, I know, in the minds of many. Especially in the minority it is even a better bill, because they made their points about HIPC. I, too, made my points, because within the bill, I had put in some of the provisions. I talk about the restrictions on new loans to these countries.

I think all and all we have a good bill at this point, and I hope that we will get bipartisan support to send this message on over to the Senate where we can get on with this process of the passage of the year 2001 appropriation bill for foreign operations.

Mr. Chairman, I would once again like to thank the gentlewoman from California (Ms. PELOSI) for her many courtesies; and I think, however, our balance sheet is a little slanted on my side, because I extended her more courtesies than she extended to me. Nevertheless, that is to be expected and not in the chauvinistic world. But in the Southern world, this is traditional, that Southern men especially are extremely courteous to our other staff colleagues.

I am happy to have had this opportunity during the last 6 years to work with the gentlewoman from California (Ms. PELOSI), with the gentleman from Wisconsin (Mr. OBEY), to the members of our subcommittee.

I am happy that we have a bill now that I feel that can be supported in a bipartisan way. Even though I thought it was perfect before, I am optimistic that now the Senate will agree with me with the modifications that have been made that it is now a perfect bill, and there will be no reason for a conference; but, nevertheless, we will have to see about what happens there.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding to me, and I want to take this opportunity to

commend the gentleman from Alabama (Mr. CALLAHAN), the distinguished chairman of our Subcommittee on Foreign Operations, Export Financing and Related Programs, and while on occasion we may not have always agreed, we certainly have recognized his outstanding leadership in bringing the foreign operations bill to the floor.

This may be the last occasion in which he does it as chairman of the Foreign Ops Committee, and we have valued his hard work throughout the years. We want to thank his staff who have been doing such outstanding work and also the ranking minority Members, the gentlewoman from California (Ms. PELOSI), the gentleman from Wisconsin (Mr. OBEY), for their outstanding work in foreign operations.

□ 1500

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. CALLAHAN. I am happy to yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I very much appreciate the gentleman from Alabama for yielding to me.

Mr. Chairman, I must say, while I had not intended to comment at all, it is difficult to let the time pass by without expressing my deep appreciation for the work that the gentleman from Alabama (Mr. CALLAHAN) has done with this subcommittee over the years. We had, to say the least, some rough times during this particular appropriations year. The leadership that the gentleman has shown has had a huge impact in our relations around the world, and I appreciate his being patient with me as I try to provide input. I would like to express my appreciation as well to the gentlewoman from California (Ms. PELOSI) for her work and leadership on this very tough area.

Mr. Chairman, there is little doubt that very few of our constituents across the country are very excited about spending their taxpayer dollars on a thing called foreign assistance. The gentleman from Alabama has been able to provide a backdrop that involves questions, for example, that relate to the child welfare or development fund that have cast a different kind of shadow.

Indeed, the public is responding very positively to the positive role that we can play in strengthening democracy around the world as well as helping especially poor people and poor children around the world.

For the leadership and work that the gentleman from Alabama has done, I want him to know I very much appreciate his effort.

Mr. CALLAHAN. Mr. Chairman, reclaiming my time, I thank the gentleman from California (Mr. LEWIS).

Mr. Chairman, I might just convey to the audience that might be watching this that this is not an obituary. I am not going to die, and I am not going to go away. I am going to be back again next year because I have no opposition; and, as a result, I am going to be the chairman of another committee. I think whatever committee I get, it is going to be a committee whereby I will have some chips to pass around this House, and maybe it will not be as difficult as this has been.

Ms. PELOSI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as this is the close of this bill, I rise to commend once again the gentleman from Alabama (Mr. CALLAHAN) for his distinguished leadership of our subcommittee.

As my colleagues can tell, we do not always agree. In fact, a good deal of the time we do not agree. But we always have good communication because that is really what is important for us to develop a bill.

Now, it is interesting to me that the gentleman from Alabama said at the start of this that he had developed a perfect bill. He saw no room for improvement, and it was a perfect bill. Now today, this afternoon, he is saying now we have a perfect bill, a more perfect bill. So we are getting there. Now we are going to get the most perfect bill as we go along in the process.

I say that, despite the tremendous regard that I have for the gentleman, and he knows that, I still am in opposition to the bill and would encourage a no vote on the part of my colleagues.

While we have made some progress in two very important areas, part of the funding that we need for debt relief and some additional funding for global aid, and those were significant, we certainly did not go the full distance on the debt relief, and there are many other deficiencies in funding in the bill.

So, as we take a step down this path, I want to urge my colleagues to support the President, to sustain a veto by voting no on the bill.

But back to the gentleman from Alabama (Mr. CALLAHAN). Perhaps the gentleman from Alabama will be a chairman, perhaps he will be a ranking member, that is a whole new world that is open to him, and he will know then what it is like. Again, hopefully he will receive the same treatment as ranking member that I have received from him.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I am pleased to yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, no doubt the gentlewoman will be the House Whip, so then there will be no question that neither one of us will be here in any position of authority.

Ms. PELOSI. Mr. Chairman, reclaiming my time, I appreciate the gentleman's optimism in that regard.

But I do want to say that our staffs, and we have acknowledged and recognized them at the beginning of the bill, have worked in a bipartisan fashion.

I would not be taking this time except for my great esteem that I have for the gentleman from Alabama. People should know what a gentleman he is, how open he is to our views, even though he does not always accept them, and that he sincerely represents the point of view that he brings to the table without guile. So we share that sincerity.

We come from completely different districts, mine are more globally oriented, although, from all I can see, in Mobile and looking South, I think the gentleman is going to have a hard time sustaining the idea that we should have a small international relations budget.

As my colleagues know, this is about humanitarian assistance. It is about export finance, and it is about our national security. So those are all very important initiatives and worthy of support.

But in any case, again, back to the gentleman from Alabama, he is great. He has done a great job over the last 6 years. It has been a pleasure to work with him. I think our staffs have worked very well together. Perhaps I will have more to say if we ever bring a conference report to the floor.

I want to also say a word about the distinguished gentleman from Florida (Chairman YOUNG) and the gentleman from Wisconsin (Mr. OBEY), our ranking member. I think our committee is very excellently served by them and particularly on this subcommittee where they both have so much experience.

With that again, I commend the gentleman from Alabama (Chairman CALLAHAN) and urge a no vote on his bill.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, often on this floor, good people can have strong disagreements about substance, and we certainly do in this bill today. Let me stipulate that I think the gentleman from Alabama (Mr. CALLAHAN), the subcommittee chair, is a very good person, as is the gentlewoman from California (Ms. PELOSI), the ranking minority member. We have very strongly differing views of how adequately this bill meets our responsibilities.

I think the distinguished gentleman from Alabama has done a terrific job as subcommittee chairman the last 6 years given the fact his hands have been tied most of the time by budget resolutions. I do hope that he gets the best possible ranking minority slot on whatever subcommittee he wishes in the next Congress.

But having said that, let me explain my concerns about this bill. Despite the increase in funding for debt relief, this bill still falls over $200 million, almost $250 million short of the administration request for debt relief. When

one includes the supplemental, the International Development Organization is almost $300 million short of the administration request.

We still have substantial shortages in the African Development Fund, the Asian Development Fund, the African Development Bank, which is only about half funded at half the level the administration is requesting. There are a number of other shortfalls as well.

I think we need to understand that, despite everything that this bill does so far, it still does not lay a glove on the major problem which confronts the international community in terms of public health. In 1999 alone, 480,000 children under 15 died from AIDS. Approximately 430,000 of those deaths occurred in sub-Saharan Africa. Around the world, as was noted on this floor several times last night, 1,700 children under 15 years old are, in effect, newly infected with HIV every single day. There will be some 44 million children in the 34 most affected countries who will be orphaned by that disease within the next 10 to 15 years.

I think the world has no idea the human carnage that is in store. When I look at this bill, even with the adoption of the two amendments that were adopted on the floor, this still falls far short of what is required for a Presidential signature. The administration is still opposed to the bill, and I certainly do not intend to vote for the bill, and I would urge Members to oppose it as well.

I would also ask that, when we vote on this bill, that we remember that we have obligations to our constituents, to our taxpayers, and to the fellow human beings with whom we share this planet.

In my view, this bill does not meet our obligation on all three fronts. America does not understand how much it is vulnerable to a health epidemic because of the shortfall of funds that we are providing in crucial international and domestic health funds. I hope that we do not find out over the next 20 years just how vulnerable we are. But I believe that the Labor-Health appropriations bill, which we passed earlier, and this bill both fall very far short of defending our taxpayers and our citizens from that problem.

I think this bill generally, especially with respect to the International Development Association, is needlessly unresponsive to the needs of the poorest countries in the world. For that reason, I would urge a no vote on this bill and, at the proper time, will have a motion to recommit with instructions.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the last last word.

Mr. Chairman, I want to compliment the gentleman from Alabama (Mr. CALLAHAN), as has so many other of my colleagues, for the tremendous job that he has done shepherding this bill through the process, getting us through the subcommittee and the full committee, and getting to first base here in the House. We will move on, then, to the other body. We will round second, then we will round third, and we will come home with a bill that is probably not as perfect as the gentleman from Alabama (Mr. CALLAHAN) said that it was, but it is a bill that has to be passed.

I also want to compliment the gentleman from Wisconsin (Mr. OBEY) and the gentlewoman from California (Ms. PELOSI) for the role that they have played, and I thank all of the Members who took part in this great debate all day yesterday and most of today.

We have talked about a lot of issues. Some of them even were about appropriations, believe it or not. Most of them were authorizing issues. But, nevertheless, this was a good vehicle. We had good debate. For the most part, the Members were very respectful of each other and that is great.

The gentleman from Alabama (Mr. CALLAHAN) will play a major role in the balance of this Congress and in the next Congress and as many Congresses as he chooses to be here, because he is an obvious leader, and he is recognized as such. His ability to move this bill, which is one of the most difficult bills to pass, is proof positive of what I have said.

I want to compliment all of our colleagues in the House, Mr. Chairman, because this, believe it or not, is the 11th appropriations bill. This is only July. This is the 11th appropriations bill that will go through the House not including the supplemental, which we have already passed and conferenced earlier. So I am proud of this House of Representatives.

The differences are obvious. That is why there is 435 of us to express these differences. But this House has done a good job in meeting its constitutional responsibility to move appropriations bills.

With that, Mr. Chairman, again, I want to compliment the gentleman from Alabama (Chairman CALLAHAN) for an outstanding job, and I guarantee him that he is going to be chairman of something very, very important. In response to the gentleman from Wisconsin (Mr. OBEY), we are hoping that he continues to be the ranking minority member for a long time, emphasis on ''minority.''

Mr. Chairman, I ask the Members to oppose the motion of the gentleman from Wisconsin (Mr. OBEY) to recommit this bill and to get to final passage and send the bill on to the other body.

AMENDMENT OFFERED BY MR. BEREUTER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Nebraska (Mr. BEREUTER) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 298, noes 125, not voting 11, as follows:

[Roll No. 399]

AYES—298

Abercrombie
Aderholt
Andrews
Archer
Armey
Bachus
Baird
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Capps
Castle
Chabot
Chambliss
Clement
Coble
Coburn
Collins
Combest
Cook
Cooksey
Costello
Cox
Crane
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeFazio
DeLay
DeMint
Diaz-Balart
Dickey
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Evans
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hinchey
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaHood
Lampson
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Luther
Manzullo
Martinez
Mascara
McCarthy (MO)
McCollum
McCrery
McHugh
McInnis
McIntyre
McKeon
McKinney
Meehan
Menendez
Metcalf
Mica
Miller (FL)
Miller, Gary
Minge
Moore
Moran (KS)
Myrick
Nadler
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Ose
Oxley
Packard
Pascrell
Paul
Pease
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reyes
Reynolds
Riley
Rivers
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)

Salmon
Sanders
Sanford
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Tierney
Toomey
Traficant
Turner
Udall (NM)
Upton
Velázquez
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (AK)

NOES—125

Ackerman
Allen
Baca
Baker
Baldacci
Baldwin
Becerra
Berman
Blumenauer
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Callahan
Capuano
Cardin
Carson
Clayton
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Davis (IL)
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Dooley
Edwards
Engel
Eshoo
Etheridge
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinojosa
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
LaFalce
Lantos
Larson
Lee
Lewis (CA)
Lewis (GA)
Lofgren
Lowey
Maloney (CT)
Maloney (NY)
Matsui
McCarthy (NY)
McDermott
McGovern
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller, George
Mink
Moakley
Moran (VA)
Morella
Murtha
Napolitano
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pastor
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Rodriguez
Roemer
Roybal-Allard
Rush
Sabo
Sanchez
Sandlin
Sawyer
Snyder
Tauscher
Thompson (MS)
Thurman
Towns
Udall (CO)
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Young (FL)

NOT VOTING—11

Boucher
Chenoweth-Hage
Clay
Forbes
Markey
McIntosh
McNulty
Mollohan
Smith (WA)
Vento
Wise

□ 1535

Ms. DEGETTE, Ms. KAPTUR, and Messrs. PALLONE, TOWNS, LEWIS of California, and JEFFERSON changed their vote from ''aye'' to ''no.''

Messrs. PHELPS, THOMPSON of California, SKEEN, Ms. MCCARTHY of Missouri, Ms. SLAUGHTER, and Messrs. KUCINICH, BERRY, MORAN of Virginia, NADLER, HINCHEY and MEEHAN changed their vote from ''no'' to ''aye.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read the last lines of the bill.

The Clerk read as follows:

This Act may be cited as the ''Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001''.

Mr. UDALL of Colorado. Mr. Chairman, I cannot support this bill. This bill is more than 10 percent below the President's request overall, and it severely underfunds programs that are critical to our national security and continuing global leadership.

The bill does include some very necessary funding. The $2.82 billion in aid to Israel included in this year's bill is even more important today, as it demonstrates our enduring support for Israeli and Palestinian efforts to seek an end to their bitter conflict—efforts that are even now under way at Camp David. I strongly support the peace process, and my lack of support for this bill does not reflect anything to the contrary. I believe that U.S. aid to Israel is critically important to push this process forward and to ensure that Israel remains strong in the face of regional military threats. But as much as I value the prospect of peace, I cannot support a bill that falls short of our commitments in so many crucial areas.

I heard one of my colleagues say on the floor yesterday that he didn't understand why the debate focused so much on the needs of people all around the world, and not about the needs of people in this country. After all, he said, we were elected by citizens of this country to represent them—not to represent the citizens of Mozambique or India or Kosovo.

First of all, to those who think—as many Americans do—that we spend too much on foreign aid, bear this in mind: Foreign assistance makes up only .6 percent of all federal expenditures in the fiscal 2001 budget. That is only .11 percent of the total U.S. economy, a level tied for the lowest percentage on record.

It's true that the funds in this bill are intended to help those in need around the world. I think this is good. In fact, public opinion shows that there has been no decline in support for international engagement in the wake of the Cold War. Just the opposite—the public strongly supports foreign aid, supports a stronger United Nations, and supports contributing our fair share to peacekeeping missions. I say we have an unprecedented opportunity—and indeed, a responsibility, as the richest country in the world—to provide global leadership through the spread of democracy and the promise of economic growth.

But foreign assistance isn't just about helping our global neighbors—it is also about guaranteeing our own security. Development assistance helps level the playing field by reducing economic instability, poverty, and disease—all of which contributes to a healthier and safer planet. In our increasingly interconnected world, we cannot afford to pretend that adverse events in other countries and regions have no bearing on the United States. They do. Devoting adequate resources to foreign assistance is a proactive investment that will pay off in preventing more expensive crises in the future.

I say to my colleagues who question the importance of foreign aid, this bill doesn't reflect the best of what America can and should offer to the rest of the world, and in fact, doesn't even reflect some priorities Congress has already set.

Last year Congress authorized and fully funded bilateral debt cancellation, and authorized the IMF to revalue part of its gold reserves to write off its debts. Last year Congress also pledged to work toward a new process for debt relief and lending at the World Bank and IMF that includes greater transparency, participation, and poverty reduction. This year we were supposed to finish the job by canceling more bilateral debt and funding a contribution to help write off additional multilateral debt—which is necessary to leverage contributions from other countries. Fulfilling our commitment to last year's debt relief agreement would provide incentive to poor indebted countries to take the steps necessary to qualify for debt relief programs. Instead, today we were going to vote on a bill that provided just $82 million for debt relief for some of the poorest countries in the world—only 16 percent of the total amount the President requested for debt relief.

I recognize the bill has been improved slightly.

The House did approve an amendment to boost funds for debt relief that will help to keep us on track with our commitment to easing the plight of so many nations. I am hopeful that these funds will remain intact as the bill moves forward. This is good, but we should have done more.

In addition, there was some improvement regarding funding for AIDS. Before it was amended today, the bill would have cut the request for funding to fight the global AIDS pandemic by almost 20 percent. This would have been a devastating cut at a time when the spread of HIV/AIDS poses a serious threat to nations around the world, especially those in Sub-Saharan Africa. By 2010, at least 44 million children will have lost one or both parents in the 34 countries most severely affected by HIV/AIDS. Coming less than a week after the global AIDS conference in South Africa, this shortcoming in the bill appeared all the most glaring.

The passage today of an amendment to boost funding for HIV/AIDS programs is good news, and I am hopeful that these funds will remain intact as the bill moves forward. But again, we should have done more.

For example, the bill cuts by 30 percent the request for funding for international family planning programs, and contains the ''global gag rule,'' despite valiant efforts to strike the language on the part of my colleagues Ms. LOWEY and Mr. GREENWOOD and many others. The ''gag rule'' provision prohibits private organizations in foreign countries to which we provide aid from participating in the political process of their own country using their own funds. This policy restricts the free speech of international non-governmental organizations. Furthermore, it undermines our own foreign policy objective of democracy promotion by placing restrictions on these organizations that would be unconstitutional in the United States. International family planning programs save the lives of women and children worldwide, reduce the incidence of abortion, and raise the social and economic well-being of women all over the globe.

The ''global gag rule'' is simply wrong, and—I believe—it is an embarrassment to us as a country.

I am also concerned about the bill's 40 percent cut in the Administration's request for contributions to multilateral development banks, which would result in substantial reductions in lending for health, clean water supplies, education programs, and infrastructure needed to reduce poverty in the world's poorest countries. Specifically, the bill cuts funding by 32 percent for the International Development Association, a main source of resources to battle AIDS, and additional cuts are made in funding for the African Development Bank, the African Development Fund, and the Asian Development Fund.

Further, the bill doesn't provide sufficient funds to battle the global threat of tuberculosis, a disease that is endangering the health and lives of people all over the globe as deadly strains of multiple-drug resistant TB emerge. Tuberculosis kills two million people each year and is the greatest killer of people with HIV/AIDS worldwide, accounting for 40 percent of AIDS death in Asian and Africa. Especially as the HIV pandemic is exacerbating the rise of TB, I believe that the $55 million provided in this bill for international TB control is insufficient.

Finally, I had hoped to vote to support an amendment for an additional $15 million for the microcredit program, which provides small loans to the very poor for the start-up or expansion of small business ventures. These loans have helped to promote economic growth in some of the most poverty-stricken regions in the world. Unfortunately, this amendment was withdrawn, and I remain concerned that this bill doesn't provide sufficient funds of this important program.

In sum, Mr. Chairman, I am disappointed in the overall levels and in the priorities reflected in this legislation. We can and should do better, and because we haven't, I cannot support this bill.

Mr. WAXMAN. Mr. Chairman, I oppose the Fiscal Year 2001 Foreign Operations Appropriations Bill. I deeply believe that foreign assistance is a cornerstone of American foreign policy and diplomacy and I have serious concerns that passing a bill this underfunded would be determental to America's strategic interests around the world.

At $2 billion below the President's request, this bill is irresponsible. The dramatic cuts to debt relief, HIV/AIDS funding, and the restrictions on international family planning programs, would imperil millions of women and children. The cuts to microcredit lending, International Development Assistance, and the U.S. Agency for International Development, would bleed dry projects that are a proven success for uplifting the poorest families in the world. The consequences of abandoning these programs are severe. Diseases know no borders. Overpopulation is a burden on the infrastructure of the entire world. Ignoring these issues is a threat to our own health and environment, and our national security.

At the outset, all the funding requested to support the Middle East Peace Process was included in this bill. Aid for Israel and the Middle East has always been my highest foreign aid priority, but the fact that these funds had to be compromised for critical increases to provide funding for debt relief and HIV/AIDS demonstrates how cash strapped this bill truly is. I am confident that all of the Foreign Military Financing for Middle East countries will be restored in conference, but we must also focus on increasing our commitment to the stability of other regions as well.

Assistance for the politically fragile states in the Former Soviet Republics, the Central Asian Republics, and the Balkans is drastically below the Administration's request. The bill slashes the Expanded Threat Reduction Initiative, which works to prevent the transfer of Russian nuclear technology to rogue states, for the second year in a row. Furthermore, the attack on debt relief translates into an assault on the Latin American and African countries that are struggling to implement drastic economic and democratic reforms.

There are some who believe that we can vote for this bill now and threaten to vote against it later if it does not improve. I believe we cannot settle for anything less than a better bill. This is only the beginning of the process and we should not have to settle for less before we go to conference with the Senate. The Republican leadership has crafted an untenable bill and I hope that my no vote on this point will strengthen the Administration's hand so it can get adequate funding for these important priorities, in addition to full funding for Israel and our Middle East priorities.

Ms. BALDWIN. Mr. Chairman, I rise in opposition to H.R. 4811, the Fiscal Year 2001 Foreign Operations Appropriations Act.

There are many good things in this bill. For example, the aid to Israel included in the bill is an important step in maintaining Israel's security in a particularly unstable part of the world. It is paramount that we continue to stand by Israel, especially as historic peace talks between the Israelis and the Palestinians are simultaneously taking place just a few miles from this Capitol at Camp David.

Unfortunately, aid in the bill does not go far enough for other countries desperately in need, especially in the continents of Africa and Latin America. The bill contains only $82 million of the $472 million requested for debt relief. It will not even provide enough resources to enable two countries, Bolivia and Mozambique, who have met all necessary conditions to obtain debt relief, to procure it. If we are to have a stable world, we must help those countries that need it most. To do otherwise only invites conflict.

Of particular concern to me is the lack of adequate funding to fight the AIDS epidemic that is currently devastating the continent of Africa, as well as other regions of the world. The bill only allocates $202 million of the $244 requested by the President to fight this horrible disease. We have turned out back on Africa for too long, and AIDS will not wait for us to find our consciences.

Finally, the bill includes a modified version of the anti-choice ''Mexico City'' policy, which prohibits funding of any private foreign nongovernmental and multilateral organizations that perform abortions or lobby to change abortion laws in foreign counties.

For these reasons, and the fact that the bill is simply too underfunded, I oppose this bill.

Mr. GREEN of Wisconsin. Mr. Chairman, today I reluctantly voted against H.R. 4811, the Fiscal Year 2001 Foreign Operations, Export Financing, and Related Programs Appropriations Act.

I did so for a very specific reason: this proposal contains some direct aid to the government of Colombia. In February of last year, a member of my district's Menominee Indian Nation was brutally murdered in that country. This woman, Ingrid Washinawatok, was in Colombia as part of a peaceful educational effort when she was kidnapped and killed by the Marxist terrorists of the Revolutionary Armed Forces of Colombia (FARC).

Since Ms. Washinawatok's murder, Colombian President Andres Pastrana has said he is unwilling to extradite those responsible for her death to the United States to be tried under U.S. anti-terrorism laws. This refusal flies in the face of the cooperative relations our nations have enjoyed in the past and directly contradicts legislation I authored on the subject—legislation that passed the House last year by a unanimous vote. That measure called on the Colombian government to extradite Ms. Washinawatok's killers to the United States for trial as soon as possible.

I would also note that some months ago, I specifically asked U.S. Drug Czar Barry McCaffrey for help in this matter during a congressional hearing. He has not responded to the specific questions I posed to him.

In my opinion, if Colombia wishes to continue receiving significant U.S. aid, it must be willing to cooperate with us on key matters such as this. I hope that my vote against a foreign aid bill that otherwise has much in it to support will be seen as a modest message to Colombia. It is my further hope that withholding aid to the Colombians will push their government to reconsider the folly of their decision not to extradite the murdering terrorists who killed Ingrid Washinawatok.

I offer this statement today because this bill does contain several positive provisions that certainly deserve support. These positive measures include funding to help bring permanent peace and stability to the Middle East. In particular, this proposal would send needed aid to support those nations, like Israel, who share our democratic values and with whom we have forged loyal strategic friendship. This is funding I would have been pleased to support—unfortunately, the mitigating circumstances with regard to Colombia precluded me from doing so. While I could not vote to pass this bill in its current form, I hope my reasons and intentions are now more clear.

Mr. BENTSEN. Mr. Chairman, I rise in reluctant support of this bill. While I will support this legislation, I am concerned that this bill shortchanges the United States' foreign policy initiatives. This bill makes large cuts in funding for programs which most directly affect the poorest countries in the world—cuts which disproportionately affect African and Latin American countries. Further, the bill drastically cuts funding for international financial institutions that provide developmental loans to poor countries. This legislation also cuts funding designated for international HIV/AIDS prevention and treatment and codifies the ''Mexico City'' restrictions on international family planning funding.

I am pleased, however, that the House approved two amendments to address some of

the funding problems and helps to make this bill better. I strongly supported the amendment offered by my colleague, Ms. Waters, to increase funding for the HIPC Trust Fund at a level equal to the President's request. It is a critical victory that the Waters amendment was approved, because passage of the debt relief provisions in the underlying bill represent an unacceptable amount.

As approved by the House Appropriations Committee, H.R. 4811 provides $82 million, or only 16 percent of the President's request for debt relief for some of the poorest countries of the world. As a member of the House Banking Committee, I am disappointed that the Leadership did not make more of a commitment to debt relief, especially in light of the accomplishments of my colleague and Chairman of the Banking Committee, JIM LEACH. Last year, with his strong leadership, the Banking Committee approved H.R. 1095, legislation which took an important step in relieving some of the debt loads carried by the world's most economically distressed nations. While some of the most important provisions of H.R. 1095 were realized last year, the FY2001 Administration request is desperately needed to expand the debt relief effort. If the Waters amendment had not been approved, the low level of funding including in this bill would have jeopardized the HIPC initiative because it may have led other bilateral donors to reduce their contributions. I am pleased with the passage of the Waters amendment, and I look forward to working with my colleagues on both sides of the aisle to ensure that meaningful debt relief can be achieved by the world's most impoverished nations.

I also strongly supported passage of the Lee amendment to increase funds for international efforts to address the global HIV/AIDS crisis. The recent 13th International AIDS Conference in South Africa highlighted the fact that the epidemic in the rest of the world is threatening to bring down entire nations. In many of the countries throughout the world it has crippled the entire infrastructures; education, economic, and national security. It is critical that we invest our resources in an effort to turn back the tide. Regrettably, the Foreign Operations funding bill would have cut the President's request for funding the fight against the global AIDS crisis by almost 20 percent. This cut would have been devastating, especially so at a time when HIV/AIDS poses a serious threat to the stability of lesser developed nations around the world particularly in Africa. In sub-Saharan Africa, the percentage of adults who have been infected with HIV is 20 percent or higher. With today's passage of the Lee amendment, I am hopeful that funds to fight the global AIDS pandemic can begin to make a difference and save thousands of lives throughout the world.

While I have strong reservations about the underlying bill, I am pleased with $2.9 billion in U.S. aid provided to Israel. U.S. aid to Israel is one of America's most cost-effective foreign policy investments. The economic and military aid that America provides Israel serves the interests of both countries by promoting peace, security, and trade. Aid to Israel is an essential and efficient means of strengthening the Middle East's only democracy. Israel stands out as the only steadfast ally that supports U.S. foreign policy and military actions and votes with the U.S. and the U.N. more than any other country. Aid to Israel supports American diplomatic efforts in promoting a peaceful resolution of the Arab-Israeli conflict. The continuity of U.S. aid sends a powerful signal to potential adversaries that a negotiated settlement with Israel is the only option since the U.S. commitment to Israel is unwavering.

For my state of Texas, exports to Israel are particularly important. Israel has become a world leader in high-technology, agriculture, medicine and education. Realizing the great potential for trade and cooperation with Israel in these and many other fields, several states, including Texas, have established joint exchange programs with Israel. Since 1984, when Texas became the first state to set up and promote bilateral trade and technological cooperation, more than 20 states have followed suit. These agreements have resulted in the opening up of trade offices in Israel, creating new jobs and opportunities for the people of Texas and Israel.

Virtually all U.S. aid to Israel—economic and military—helps Israel meet its security needs. As other countries in the region enlarge and modernize their arsenals, this assistance gives Israel the means to obtain expensive, advanced American weaponry that it needs to defend itself. U.S. aid reduces the risk of war in the Middle East by sustaining Israel's qualitative military advantage over the combined military forces of its adversaries who have an overwhelming numerical advantage. By keeping Israel's army second to none in the region, this direct aid deters aggressors from attacking Israel without an American military presence, which Israel has never sought.

The U.S. aid package contained in the FY2001 Foreign Operations Appropriations bill is especially critical to Israel this year. As Israeli Prime Minister Ehud Barak prepares to meet with President Clinton and Palestinian Authority Chairman Yasser Arafat at Camp David this week to discuss final status issues, U.S. support for Israel and her security needs becomes more critical than ever.

As the Camp David peace summit is ongoing, I think it is appropriate to applaud the courage of the Israeli Prime Minister Ehud Barak, who has withstood a very difficult term in office. In recent weeks, three of his coalition members have broken away or resigned because of his efforts to seek a lasting peace agreement. Even at this time of internal political tension in Israel, it is clear that Prime Minister Barak traveled to Camp David with a profound sense of responsibility. He understands that he has a mandate from the voters, the citizens of Israel to do all that he can to establish peace, not for just for those who would benefit now, but for the children and for those not yet born. I am hopeful that Mr. Barak and PLO Chairman Arafat can find a way to address the critical issues with a respect for all sides that can result in a true, lasting peace for the Middle East.

Mr. Chairman, I understand that foreign assistance, which represents less than 1 percent of the entire federal budget, is often politically unpopular. However, at a time when the United States, having won both the cold war and the economic war, reigns supreme as the sole economic and military superpower and the leader of the free world, it has become incumbent upon us to take a leadership role in pursuing peace and prosperity for the less fortunate in the world. Further, I believe it is in our own best interest to lead the other free and democratic nations of the world in combating poverty and disease—which ravages many parts of the less developed world—and poses a significant future threat to stability. With that in mind, I hope—as the appropriations process moves forward—that the defects in the underlying bill can be corrected.

Mr. STUPAK. Mr. Chairman, on July 13, 2000, the Foreign Operations Appropriations bill, H.R. 4811, came to the House floor for a vote. I reluctantly vote for this bill for the sole reason of moving the foreign affairs platform forward.

I believe H.R. 4811 is a bad bill for various reasons. It appropriates a total of $13.3 billion for fiscal year 2001—$1.9 billion or 12% below the Administration's request and $451 million less than the fiscal year 2000 funding level. This bill makes large cuts in funding for programs which most directly affect the poorest countries in the world—cuts that disproportionately affect African and Latin American countries—and contains only $82 million of the $472 million request for multilateral debt relief assistance. Further, the bill drastically cuts international financial institution funding that provides interest-free loans to poor countries. H.R. 4811 cuts $42 million from international HIV/AIDS prevention and treatment, a cut I find deplorable.

Although this bill is badly flawed in many ways, I believe the best way to address those problems is to move it forward and express my concerns directly to the conferees. If the bill is reported out of conference with my concerns left unaddressed, I will support the President's veto.

Mr. SMITH of New Jersey. Mr. Chairman, as Chairman of both the Helsinki Commission and the House International Relations Subcommittee on Foreign Operations and Human Rights, I am particularly supportive of many portions of this Foreign Operations bill for Fiscal Year 2001. The section on ''Assistance to Eastern Europe and the Baltic States'' is one of the items in which I have a strong interest. This assistance has made a difference in many countries.

Given the fact that the bill leaves FY 2001 assistance at FY 2000 levels, I want to state that, in southeastern Europe, our priority list should begin with a focus on the need for democratic change to Serbia. The people of Serbia deserve it; right now they are facing a major crackdown by the Milosevic regime on their basic rights and freedoms. Democratic change in Serbia is in the U.S. interest. Building democracy and prosperity throughout the region, including in Kosovo and Bosnia, would then be easier, making our assistance there more effective. Until Milosevic is stopped, we face the possibility of more conflict in the region, and the need for additional millions of dollars for humanitarian aid, reconstruction and possibly military intervention in both a peacemaking and a peacekeeping capacity.

In addition to helping initiate a long-needed democratic transition in Serbia, this assistance could bring support for Montenegro, Macedonia, and Croatia, now that the relatively

new governments of these republics have learned the value of embracing multi-ethnic cooperation and tolerance, along with cooperation with the international community. Mr. Chairman, we should prioritize assistance to those who seek to make the right decisions.

I am pleased, Mr. Chairman, that the Committee report language states its support for the funding levels requested by the President for Montenegro, as well as the allocation of $350,000 for an OSCE effort to facilitate contacts with democratic forces in Serbia and Montenegro. In the near future, the International Relations Committee should mark-up similar provisions as part of H.R. 1064, the Serbia and Montenegro Democracy Act of 2000, which I introduced in early March of last year. I thank the Committee for this report language.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having assumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4811) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2001, and for other purposes, pursuant to House Resolution 546, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. OBEY. I certainly am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. OBEY moves to recommit the bill H.R. 4811 to the Committee on Appropriations with instructions to report the same back to the House forthwith with an amendment to reduce the Asian Development Fund and increase the African Development Fund as follows:

On page 40, line 23 after the dollar amount insert: ''decreased by $5,000,000)'', and

On page 41, line 5 after the dollar amount insert: ''(increased by $5,000,000)''.

Mr. OBEY (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

There was no objection.

Mr. OBEY. Mr. Speaker, I want to make clear that I do not intend to ask for a rollcall vote again in order to save time, but I do want Members to understand what we are doing.

Mr. Speaker, shortly I will be asking Members to vote against final passage of this bill because, with all of the amendments that were adopted today, this bill still falls $224 million short of what is needed on the debt relief front. It falls some $270 million short of funding the administration's request on the International Development Association, or IDA. It funds only one-half the Asian Development Fund and only one-half the African Development Bank.

The Peace Corps is $17 million short of the administration's request. The Global Environmental Facility, which has a request for $176 million, is funded only at $36 million. The InterAmerican Fund, which was requested at a $20 million level, is funded in fact at only $10 million. There are a variety of other problems, as well. And so, I urge Members to vote no until we can fix these problems in conference.

What this motion to recommit will do is to try to add to the points made in the debate last night on Africa. The fact is there will be over 40 million children who will be made orphans over the next few years in Africa because of AIDS.

Taking that into account, this recommittal motion would simply cut $5 million from the Asian Development Fund and increase the African Development Fund by $5 million correspondingly.

Mr. Speaker, I yield back the balance of my time.

Mr. CALLAHAN. Mr. Speaker, I rise in opposition to the motion to recommit.

Mr. Speaker, let me ask my colleagues to vote against the recommittal motion. We have had two long days of debate. There has been some victories on the Republican side and some victories on the minority side. I think, though, that we have a good vehicle that we can address even some of the concerns that the gentleman from Wisconsin (Mr. OBEY) mentioned, some of the deficiencies that are here and admittedly are here, but it is the best that we could do under the deck of cards that have been used to deal us this hand. This is the best we can do.

I think the distributions that we have made are fair and equitable. I pledge to those of us that are concerned about such things as the Peace Corps, and my colleagues know my strong support for them, that if additional allocations are made during this process, we are going to address the very concerns that the gentleman from Wisconsin (Mr. OBEY) is concerned about.

But his motion to recommit transfers from the Asian Development Fund $5 million and sends it to the African Development Fund, and I think that we should not do that at this time.

I urge a no vote on the recommittal and a favorable vote on final passage of the bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER pro tempore. The question is on passage of the bill.

Under clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 239, nays 185, not voting 11, as follows:

[Roll No. 400]

YEAS—239

Aderholt	Emerson	Largent
Archer	Engel	Latham
Armey	English	LaTourette
Bachus	Everett	Lazio
Baker	Ewing	Leach
Ballenger	Fletcher	Lewis (CA)
Barcia	Foley	Linder
Barrett (NE)	Fossella	LoBiondo
Bartlett	Fowler	Lowey
Barton	Franks (NJ)	Lucas (KY)
Bass	Frelinghuysen	Maloney (CT)
Bateman	Frost	Maloney (NY)
Bentsen	Gallegly	Manzullo
Bereuter	Ganske	Martinez
Berkley	Gekas	Mascara
Berman	Gibbons	McCarthy (NY)
Biggert	Gilchrest	McCollum
Bilbray	Gillmor	McCrery
Bilirakis	Gilman	McHugh
Blagojevich	Goodling	McIntyre
Bliley	Gordon	McKeon
Blunt	Goss	Metcalf
Boehlert	Graham	Mica
Boehner	Granger	Miller (FL)
Bonilla	Green (TX)	Miller, Gary
Bono	Greenwood	Moran (KS)
Boyd	Gutknecht	Morella
Brady (TX)	Hastert	Myrick
Bryant	Hastings (WA)	Nadler
Burr	Hayworth	Nethercutt
Burton	Hill (MT)	Ney
Buyer	Hilleary	Northup
Callahan	Hobson	Norwood
Calvert	Hoekstra	Nussle
Camp	Holden	Ose
Canady	Holt	Owens
Cannon	Hooley	Oxley
Castle	Horn	Packard
Chabot	Hostettler	Pascrell
Chambliss	Houghton	Pease
Coble	Hulshof	Peterson (PA)
Collins	Hunter	Petri
Cooksey	Hutchinson	Pickering
Cox	Hyde	Pickett
Cramer	Isakson	Pitts
Crane	Istook	Porter
Crowley	John	Portman
Cubin	Johnson (CT)	Pryce (OH)
Davis (FL)	Johnson, Sam	Quinn
Davis (VA)	Kaptur	Radanovich
Deal	Kasich	Ramstad
DeLay	Kelly	Regula
DeMint	King (NY)	Reynolds
Deutsch	Kingston	Riley
Diaz-Balart	Klink	Rogan
Dickey	Knollenberg	Rogers
Doyle	Kolbe	Ros-Lehtinen
Dreier	Kuykendall	Roukema
Dunn	LaFalce	Ryan (WI)
Ehlers	LaHood	Ryun (KS)
Ehrlich	Lampson	Salmon

Saxton
Scarborough
Schakowsky
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stabenow
Stupak
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Toomey
Towns
Traficant
Turner
Upton
Vitter
Walden
Walsh
Wamp
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NAYS—185

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barr
Barrett (WI)
Becerra
Berry
Bishop
Blumenauer
Bonior
Borski
Boswell
Brady (PA)
Brown (FL)
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Clayton
Clement
Clyburn
Coburn
Combest
Condit
Conyers
Cook
Costello
Coyne
Cummings
Cunningham
Danner
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Duncan
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gejdenson
Gephardt
Gonzalez
Goode
Goodlatte
Green (WI)
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hayes
Hefley
Herger
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kennedy
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
Lantos
Larson
Lee
Levin
Lewis (GA)
Lewis (KY)
Lipinski
Lofgren
Lucas (OK)
Luther
Matsui
McCarthy (MO)
McDermott
McGovern
McInnis
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Moran (VA)
Murtha
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Pallone
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Phelps
Pombo
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rohrabacher
Rothman
Roybal-Allard
Royce
Rush
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schaffer
Scott
Sensenbrenner
Serrano
Skelton
Slaughter
Snyder
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watkins
Watt (NC)
Waxman
Woolsey
Wynn

NOT VOTING—11

Boucher
Chenoweth-Hage
Clay
Forbes
Markey
McIntosh
McNulty
Mollohan
Smith (WA)
Vento
Wise

□ 1559

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

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. CHENOWETH-HAGE. Mr. Speaker, I missed several votes today due to an illness. Had I been present I would have voted ''nay'' on rollcall vote 396 (Mr. GREENWOOD's amendment to H.R. 4811); ''nay'' on rollcall vote 397 (Ms. WATERS' amendment to H.R. 4811); ''nay'' on rollcall 398 (Ms. LEE's amendment to H.R. 4811); ''yea'' on rollcall vote 399 (Mr. BEREUTER's amendment to H.R. 4811); and ''nay'' on rollcall vote 400 (on Passage of H.R. 4811).

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I take this time to inquire from the distinguished majority leader the schedule for the week and next week.

I yield to the gentleman from Texas (Mr. ARMEY).

Mr. ARMEY. I thank the gentleman from Michigan for yielding.

Mr. Speaker, I am pleased to announce that the House has completed its legislative business for the week.

The House will next meet on Monday, July 17, at 12:30 p.m. for morning hour and 2 p.m. for legislative business. We will consider a number of measures under suspension of the rules, a list of which will be distributed to Members' offices tomorrow. On Monday, no recorded votes are expected before 7 o'clock p.m.

On Tuesday, July 18, and the balance of the week, the House will consider the following measures, subject to rules: H.J. Res. 103, disapproving the extension of annual normal trade relations with respect to China; the Comprehensive Retirement Security and Pension Reform Act; and the Treasury, Postal Service and General Government Appropriations Act for fiscal year 2001.

Mr. Speaker, we also expect to consider conference reports next week, including DOD appropriations and the Marriage Tax Penalty Relief Act, should they become available.

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

Mr. BONIOR. I thank my colleague. A couple of questions, if I may. Do we expect late nights next week?

Mr. ARMEY. If the gentleman will yield, I should say it pleases me to tell the gentleman I do not expect late nights next week. I think we have been through a very difficult time. We have one appropriations bill that will be on the floor under the 5-minute rule, and, of course, it is very difficult to project how those bills will go, but I think with continued cooperation between the Members at large and the bill managers, we should be able to contain that to a well-managed proposition, and frankly, I have to say in all optimism, I do not expect that we are going to those tortured late nights next week.

Mr. BONIOR. Does the gentleman expect us to be in on Friday next?

Mr. ARMEY. At this time I think I have to reserve an expectation that we will be. We do have two or three very important bills we would like to complete next week. There will be questions of timing as we look for conference reports to return or perhaps the parliamentary processes as it relates to the Marriage Penalty Relief Act. So we will just have to reserve Friday of next week. Should that change as the week develops, I will announce it as soon as possible to the Members.

Mr. BONIOR. May I ask the distinguished gentleman from Texas what day he expects the pension IRA bill to come to the floor of the House?

Mr. ARMEY. I thank the gentleman for asking that. I would expect probably on Wednesday.

Mr. BONIOR. I thank my colleague. Finally, on the China MFN debate, the annual hour of debate, I suspect that is what we will have, is there a day that the gentleman has designated for that particular exercise?

Mr. ARMEY. I appreciate the gentleman asking. I would think that on any day next week. I think with a bill that is that easily managed, we would just try on appropriate notice to move it when it best fits the rest of the scheduling requirements.

Mr. BONIOR. I thank my colleague for his courtesies and for offering us a summation of what we can expect next week. I wish him a good weekend.

Mr. ARMEY. If the gentleman would continue to yield, I have just decided we will move that China trade bill on Tuesday.

Mr. BONIOR. The China bill on Tuesday. I thank the gentleman.

ADJOURNMENT TO MONDAY, JULY 17, 2000

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain requests for one minute addresses.

EDUCATION ACCOMPLISHMENTS

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

Mr. BALLENGER. Mr. Speaker, Mark Twain once said, ''Everybody talks about the weather, but nobody does anything about it.'' Well, in a similar sense, the Clinton-Gore administration often pledges to support education, but does nothing to back up their rhetoric.

In contrast, the House Republicans have made education improvements one of our top priorities, and we are seeing results. We passed bipartisan measures to give local school districts more flexibility with education dollars, providing parents and teachers a voice in where their children's education funds are spent.

Our Teacher Empowerment Act helps teachers enhance their training and addresses teacher shortages by increasing recruitment and retention. Every student deserves to have qualified teachers.

Republicans have also led the charge for full Federal funding for the Individuals With Disabilities Education Act, giving disabled students access to the best possible education.

Our children deserve quality education, and Republicans are making it happen.

SPECIAL ORDERS

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

REFORM OF THE FLOOD INSURANCE PROGRAM NEEDED

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

Mr. BLUMENAUER. Mr. Speaker, we are engaged in a race with Mother Nature that we will most assuredly lose. In the past on the floor of this Chamber I have discussed reform of the flood insurance program, which as presently constituted encourages people to live, in fact, subsidizes people to live in places where God has repeatedly shown that He does not want them. Currently this is a critical issue, because we are concentrating our population in areas that are near the coastline. In California alone, 80 percent of the population lives within 30 miles of the Pacific Ocean.

We have had studies, the most recent one the Heinz Report, which has shown in several of the areas that they have studied in the coastal area development has increased 60 percent in the last 20 years in high hazard areas. The report concluded for our Federal Emergency Management Agency that in the next 60 years, we will probably lose 25 percent of the structures that are located within 500 feet of the coastline. In the next 10 years alone there are 10,000 structures that are directly at risk.

Yet at the same time we are involved with a massive program attempting to reconstruct our beaches, without a sense of cost, and, in many cases with a 50-year maintenance operation, we are at work dumping the equivalent of over 3,000 truckloads of sand per day in this race with nature.

There are many States that are fortifying the coastline, virtually walling them off, keeping people away from the beaches, and, ironically, this costly effort at engineering is actually accelerating the erosion process. We are in fact making it worse by our efforts.

We are giving a false sense of security so more people live in harm's way, which increases the amount of Federal money at risk. The fortification halts the natural process of regenerating the beaches, and the construction of what are called groins and jetties in the fortification actually deflects that power further along the coast and increases the scourging action, undercutting and sweeping the beaches away. In many cases, we are doing this time and time and time again.

Since 1950, in Virginia Beach, Virginia, there have been 46 efforts at restoring that beach. It is time to stop making it worse with development and with remedial actions that are not carefully thought through.

I strongly suggest that this Congress take three important steps:

First, to revise the funding formulas, so that we are not subsidizing people living in harm's way and putting the Federal taxpayer at risk.

It is time to revise the flood insurance program. The legislation that the gentleman from Nebraska (Mr. BEREUTER) and I have introduced, the Two Floods and You Are Out of the Taxpayer Pocket, would be an important step in that fashion.

Finally, and perhaps most important, it is time for us to stop having development occur in these inappropriate coastal locations.

If we take simple, common sense steps, we can end up making our communities more livable, saving the taxpayer money and avoiding more serious problems in the future.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1660 AND H.R. 1760

Ms. STABENOW. Mr. Speaker, I ask unanimous consent that my name be withdrawn as a cosponsor from H.R. 1660 and H.R. 1760.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Michigan?

There was no objection.

ORDER OF BUSINESS

Mr. SOUDER. Mr. Speaker, I ask unanimous consent to claim my special order time at this point.

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

There was no objection.

AID FOR MACEDONIA

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

Mr. SOUDER. Mr. Speaker, the first thing I would like to do tonight is to make a few additional comments regarding the colloquy held earlier today between the gentleman from Alabama (Chairman CALLAHAN), the gentleman from Oklahoma (Mr. COBURN) and myself concerning additional aid to Macedonia. We appreciate the consideration of the chairman for additional funding for Macedonia if additional funds become available for the foreign operations appropriations.

I will include for the RECORD additional articles concerning the problems Macedonia is facing.

I want to thank Virginia Surso of the Macedonian Tribune in my home town of Fort Wayne, Indiana, for providing many of these materials that point out the sacrifices that Macedonia made to help us in the war in the Balkans, even though it was very decisive in that part of the world, and particularly with the majority of their population being orthodox and trying to keep a coalition government together, losing 400 to 600 million dollars because of their sacrifices. The least we could do would be to help those who sacrificed to help us.

MARRIAGE AND THE FAMILY

The second thing I would like to address this afternoon is an initiative, some innovative proposals on marriage and family, from Governor Frank Keating of Oklahoma. The TANF funds, the Temporary Assistance for Needy Family funds that have gone to Oklahoma, are being used to strengthen families and reduce the divorce rate. My friend Jerry Regier, Oklahoma Cabinet Secretary for Health and Human

Services, worked with Governor Keating to develop this innovative plan.

Oklahoma, as of this spring when they implemented that plan, had the second highest divorce rate in the country. Governor Keating and his wife have carried the messages of the consequences of divorce, especially when children are involved, to towns throughout Oklahoma.

□ 1615

They have involved seven sectors of Oklahoma life: business, church, education, service providers, government, legal and media. Three of the four things we in the House put in welfare reform regarding TANF that had to do with marriage and family. What is unusual about this Oklahoma program, because every State is bragging about how they have reduced welfare rolls, how they have gotten people back to work and the things they have done with the family, is that it is a comprehensive program to marriage and family issues. I want to read this, and then I will insert the full remarks into the RECORD.

''Community Covenants, (religious leaders join other sector leaders in community-based solutions to reduce the divorce rate.)

''Scholar-in-residence: Oklahoma State University (national marriage expert);

''Ongoing activities to keep marriage/divorce on the public agenda;

''Statewide training/service delivery system (working with the Nation's experts to develop this system/curriculum that will provide research-based skills training);

''Marriage Resource Center (information, mentorship, et cetera);

''Research/Evaluation (in consultation with Oklahoma State University and the Nation's best marital research experts);

''Improvement of our data system (to understand more about our divorce rate and where to focus our resources);

''Second Annual Governor and First Lady's Conference on Marriage;

''Fatherhood Projects (integration of fatherhood project into the marriage initiative);

''Mother Mentoring/Children First (integration of motherhood projects into the marriage initiative);

''Support of other coalitions/services (pilot demonstration projects that will strengthen couple relationships/marriage and high-risk, vulnerable populations);

''Media (tools for influencing and changing the culture; putting issues on the public agenda);

''Charitable Choice liaison to head the State's efforts to partner with charitable and faith-based organizations to providing and delivering social services;

''Youth Education/Prevention Programs (changing the attitudes of young people who are yet to personally confront the issues of marriage/divorce).''

Mr. Speaker, this is a comprehensive way to try to tackle what people say is something that cannot be done. Constantly here, when we hear about social problems, oh, well, problems of moral issues like teen pregnancy and divorce cannot really be dealt with by the Government. Now, here is a whole series of things that they are implementing through the course of this year in Oklahoma to try to tackle what is fundamentally one of the major problems we have in the United States when we look at teen runaways, teen suicide, child abuse. We see family breakdown at the core of this. We need innovative leaders who are willing to take some risks to experiment. Not all of these programs will work. Some of them will take longer to get started, but to look at comprehensive ways to address this.

In conclusion, what I want to point out is that compassionate conservatism is not just talk. We have governors like Frank Keating and Governor George W. Bush, who have actually implemented innovative ideas. Former Mayor Goldsmith of Indianapolis led the way at the city level. Here in the House, Members like the gentleman from Missouri (Mr. TALENT) and the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Ohio (Mr. KASICH) and the gentleman from Pennsylvania (Mr. PITTS) and others; and in the Senate, Senator BROWNBACK, Senator SANTORUM, Senator ABRAHAM. We have innovative leaders throughout this country who have been, will be, and currently are working to try to implement creative ways from a conservative perspective to address these difficult social problems.

GOVERNOR FRANK KEATING CHALLENGES NATION TO TACKLE DIVORCE RATE

OKLAHOMA COMMITS $10 MILLION TO ADDRESS THE PROBLEM

WASHINGTON, DC.—Governor Frank Keating is increasing Oklahoma's stakes in the battle to reduce its divorce rate by making a significant financial commitment to address the problem. Jerry Regier, Oklahoma Cabinet Secretary for Health and Human Services, was in Washington, DC today to announce that Governor Keating is now the first governor in the country to set aside $10 million dollars in TANF (Temporary Assistance For Needy Families) funds to be used to strengthen marriages and reduce the divorce rates.

Oklahoma has led the nation in this arena since last year when Governor Keating announced that his state was committed to doing something to reverse the fact that Oklahoma has the 2nd highest divorce rate in the country. In both his Inaugural address and his State of the State address, Keating laid out the goal of reducing the state's divorce rate by 1/3 by 2010.

Through this past year, the Governor and First Lady Cathy Keating have carried the message of the consequences of divorce, especially when children are involved, to towns throughout Oklahoma. They have developed the Oklahoma Marriage Initiative into something unique, taking a bold step forward with each new idea. They have involved leaders from seven sectors of Oklahoma life: business, church, education, service providers, government, legal, and the media.

''When we launched this initiative, frankly some people asked Cathy and me what business the government has getting involved in marriage,'' says Governor Frank Keating. ''But when you look at the consequences of divorce, the better question is 'What business do we have not getting involved?' ''

''Divorce has staggering negative effects, both economically and socially. We cannot continue to ignore its impact. While we have turned our state's focus and attention to reducing divorce, we must now add our resources and greater action,'' says Keating.

TANF funds are block grant funds provided to each state and marriage is a key component of three of the four goals for that funding:

(1) ''To provide assistance to needy families so that the children may be cared for in their homes or in the homes of relatives.''

(2) ''To end dependence of needy parents on government benefits by promoting job preparation, work and marriage . . .''

(3) ''To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies.''

(4) ''To encourage the formation and maintenance of two-parent families.''

On Monday of this week, Governor Keating sent a letter to the Department of Human Services board of directors officially asking them to set aside the TANF funds. Regier and DHS Director Howard Hendrick have been meeting for months, at Keating's direction, to finalize the budget allocation and an agreement was reached late last week. Regier heads the Oklahoma Marriage Initiative for Governor and Mrs. Keating and is charged with the task of developing and implementing an effective strategy to reduce the divorce rate.

''It's with great privilege that I announce today that Oklahoma is the first state to set aside a significant amount of money for reducing its divorce rate and strengthening marriages. While other states have similar TANF resources to invest in meeting this important goal, under the leadership of Governor Keating, Oklahoma is the first to take this important step by committing $10 million to achieve these goals,'' says Regier.

Even before this funding commitment, Oklahoma has already begun making important changes. During 1999, the Department of Human Services began calculating the incomes of both individuals in a cohabiting (unmarried) couple when determining assistance eligibility. No longer is there a financial incentive for couples to live together outside of marriage.

Over the coming months, Oklahoma will continue to finalize its action plan. The major components will include:

Community Covenants (religious leaders join other sector leaders in community-based solutions to reduce the divorce rate)

Scholar-in-Residence: Oklahoma State University (national marriage expert)

On-going activities to keep marriage/divorce on the public agenda

Statewide training/service delivery system (working with the nation's experts to develop this system/curriculum that will provide research-based skills training)

Marriage Resource Center (information, mentorship, etc.)

Research/Evaluation (in consultation with OSU and the nation's best marital research experts)

Improvement of our data system (to understand more about our divorce rate and where to focus our resources)

Second Annual Governor and First Lady's Conference on Marriage

Fatherhood Projects (integration of fatherhood projects into the marriage initiative)

Mother Mentoring/Children First (integration of motherhood projects into the marriage initiative

Support of other coalitions/services (pilot demonstration projects that will strengthen couple relationships/marriage in high-risk, vulnerable populations.)

Media (tools for influencing and changing the culture . . . putting issues on the public agenda)

Charitable Choice liaison to lead the state's efforts to partner with charitable and faith-based organizations in providing and delivering social services

Youth Education/Prevention Programs (changing the attitudes of young people who are yet to personally confront the issues of marriage/divorce)

While in Washington, DC, Regier called on other leaders to join in this important goal to reduce the divorce rate in their own state.

''Setting a measurable goal is the first step in achieving your objective, and those of us in Oklahoma who are seeing the good impact of our work challenge other states to join us by setting measurable goals for reducing the divorce rate by a set amount in a time certain,'' says Regier. ''It's difficult to reach an undefined goal.''

''Just as we set an Oklahoma goal of reducing the divorce rate by ⅓, we have now also set aside a specific amount of money to achieve the objective. While the final amount of allocated resources may be more or less in the final analysis, Governor Keating, the Department of Human Services Board, and I all agreed that we must begin to move forward with a significant commitment of resources. We will not let a lack of funding deter us from meeting this goal that will positively impact Oklahomans in all walks of life,'' Regier concluded.

Regier was in Washington to represent Governor Keating at a press conference for The Empowerment Network (TEN). Keating is the national co-chairman of this group which today released a bold bi-partisan platform designed to translate election-year rhetoric about American renewal into measurable gains for America's communities and families.

Regier was joined at the press event by Keating's national co-chair, Senator Dan Coats (R–IN), who presented, Empowerment Blueprint 2001: Strategies for Family and Community Renewal, a ''step-by-step agenda for leaders at the national, state, and local levels, and the private sector.

STATE OF OKLAHOMA,
OFFICE OF THE GOVERNOR,
Oklahoma City, OK.

DEAR DHS COMMISSION MEMBERS: This letter comes as a request for you to take a bold step towards meeting one of the goals I've set for Oklahoma—to reduce the divorce rate by ⅓ by 2010. I'm asking you to make a commitment to spend up to $10 million this next year from TANF funds for strategies that will strengthen Oklahoma marriages, resulting in a reduction in divorce. In discussions between Secretary Regier and Director Hendrick, it would appear that this level of funding is an appropriate beginning for this important effort.

Because of the Oklahoma Marriage Initiative, people in all sectors of our society are taking notice of the consequences of divorce, especially for families with children, and are clamoring for action. While this is a very new subject for policy makers, and there are a limited number of program demonstrations to build on, the overriding need makes it necessary to proceed with our best efforts.

As we continue to build our strategy for reducing the divorce rate, we must pay attention to what we can do to address couple unions in low-income populations. We must also look for strategies to strengthen two-parent families and marriages for non-needy persons in these communities. Certainly the federal government understood that when it drafted the TANF guidelines, with three of the four goals related to strengthening marriage/reducing divorce and reducing out-of-wedlock births. These four goals are:

(1) ''to provide assistance to needy families so that the children may be cared for in their homes or in the homes of relatives.''

(2) ''to end dependence of needy parents on government benefits by promoting job preparation, work and marriage . . .''

(3) ''to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies''

(4) ''to encourage the formation and maintenance of two-parent families.''

As Commission Members, I don't need to tell you how vital it is that we devote resources to support this important goal. While some in the country are asking why the government would become involved in the issue of marriage and divorce, we know clearly the reasons because of our on-going initiative:

Many of society's ills can be traced to the rapidly declining status of marriages in this country.

Couples marrying for the first time today have at least a 50% chance of divorce.

The conflict that precedes and surrounds divorce causes great mental, physical and economic damage to parents and children alike.

The ''triple threat'' of martial conflict, divorce, and out-of-wedlock births has led to a generation of U.S. children at great risk for poverty, alienation, and antisocial behavior.

The decline in marriage cuts across nations, class religion and races, however it is most marked among the poor. Low-income individuals are at higher risk of out-of-wedlock childbearing, of cohabitation, are less likely to marry, and when they do marry are more likely to separate and divorce than middle or high-income couples. The proportion of children who live with only one parent has more than doubled nationally since 1970, from 12% to 28% in 1998.

This development is causing growing concern among policy makers and the public. The costs of single parenthood are most serious for children and for society as a whole. Almost half (49%) of children in female-headed households were poor in 1998. Single-parent households are five times more likely to be poor than two parent households. Studies document that children raised in single-parent homes are at greater risk of poverty, and other negative outcomes such as school drop out, juvenile delinquency, teen pregnancy and themselves become divorced. Nationally, over half of the parents receiving welfare are not married to their child's other parent, nearly 20% are divorced or separated, 11% are married (DHHS, 1999).

Several major theories have been put forward to account for the nationwide decline in marriage. Certainly part of that decline can be attributed to the expansion of welfare programs that occurred in the late 1960s and 1970s. Since these programs were targeted on single-parent families, it is often argued that the government was stepping in to take the place of others, undermining their responsibility to provide for their families and creating financial incentives to break up or discourage marriage on the theory that ''you get more of what you subsidize.'' I applaud you for the changes you have made in DHS policy to change this trend in Oklahoma.

Now, I'm asking you to take the next step. . . . to build the capacity of our systems to strengthen marriages and reduce divorces. . . . and to provide new martial direct services to all of our Citizens statewide. Over the coming months we will be working with you to develop details of our action plan, including some of the components summarized on the attachment, and indeed DHS Director Hendrick will be vitally involved in finalizing these plans with Secretary Regier.

There are many highlights of the plan that you will hear about over the coming months, but both Cathy and I are convinced of the value of skills training for couples. Over this past year we have heard from several martial experts that relational qualities and patterns of interaction assume a much greater importance in contemporary marriages than in former times. Most of the traditional economic, legal, social and cultural constraints that used to keep marriages together have fallen away. In addition couples now have higher expectations for marital happiness—having all one's needs met by one's marital partner—and are readier to dissolve the union if they are not satisfied. The result is that there is much more pressure on couples ability to communicate well, negotiate and resolve conflict, accept each other's differences, and stay committed to working on their relationship. We must find ways to help Oklahomans strengthen these skills if they are to continue marriages in today's culture.

Over a year ago I addressed all Oklahomans in my Inaugural address and in my State of the State address to reduce the social ills that hold us back as a people and as an economy. I then asked Jerry Regier, my Cabinet Secretary for Health and Human Services, to take the lead on building this initiative on my behalf, and we've made great progress over this past year in raising public awareness about the consequences of divorce. During this upcoming year, I've told Jerry to call on the very best experts in this country to finalize and implement a strategy that will result in stronger marriages. He is available to work with you and Director Hendrick to make sure that we achieve our shared goal of reducing the divorce rate in Oklahoma, as well as the goal of TANF monies to promote and strengthen marriage.

Thank you for your continued commitment to the citizens of Oklahoma and I urge you to act now to obligate these critical funds towards achieving our goals.

Sincerely,

Governor FRANK KEATING.

OKLAHOMA MARRIAGE INITIATIVE

Summary of the goals of our plan:

Community Covenants (religious leaders join other sector leaders in community-based solutions to reduce the divorce rate).

Scholar-in-Residence: Oklahoma State University (national marriage expert).

On-going activities to keep marriage/divorce on the public agenda.

Statewide training/service delivery system (working with the nation's experts to develop this system/curriculum that will provide research-based skills training).

Marriage Resource Center (information, mentorship, etc.).

Research/Evaluation (in consultation with OSU and the nation's best martial research experts).

Improvement of our data system (to understand more about our divorce rate and where to focus our resources).

Second Annual Governor and First Lady's Conference on Marriage.

Fatherhood Projects (integration of fatherhood projects into the marriage initiative).

Mother Mentoring/Children First (integration of motherhood projects into the marriage initiative.

Support of other coalitions/services (pilot demonstration projects that will strengthen couple relationships/marriage in high-risk, vulnerable populations.).

Media (tools for influencing and changing the culture . . . putting issues on the public agenda).

Charitable Choice liaison to lead the state's efforts to partner with charitable and faith-based organizations in providing and delivering social services.

Youth Education/Prevention Programs (changing the attitudes of young people who are yet to personally confront the issues of marriage/divorce).

INTRODUCTION OF THE NATIONAL RECORDING PRESERVATION ACT OF 2000

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

Mr. HOYER. Mr. Speaker, since the development of audio-recording technology in the 19th Century, composers, musicians, and others have created thousands of sound recordings that have amused, entertained, and enriched us individually and as a Nation. Sadly, as the 21st Century dawns, many of America's most precious sound recordings, recorded on perishable media, may soon be lost unless we act to preserve them for the use and enjoyment of future generations.

Today I am delighted to join the gentleman from California (Mr. THOMAS), chairman of the Committee on House Administration, in his introduction of legislation similar to the bipartisan bill that I introduced last year to help preserve this irreplaceable aspect of our cultural heritage. I hope all Members will support this effort.

In 1988, Congress wisely enacted the National Film Preservation Act, which established a program in the Library of Congress to support the work of actors, archivists and the motion-picture industry to preserve America's disappearing film heritage. The revised bill introduced today, the National Recording Preservation Act of 2000, follows the trail blazed by the Library's successful film program.

The measure would create a National Recording Registry at the Library to identify, maintain and preserve sound recordings of cultural, aesthetic, or historic significance. Each year the Librarian of Congress would select recordings for placement on the Registry, upon nominations made by the public, industry or archive representatives; recordings will be eligible for selection ten years after their creation.

A National Recording Preservation Board will assist the Librarian in implementing a comprehensive recording preservation program, working with artists, archivists, educators and historians, copyright owners, recording-industry representatives, and others. A National Recording Preservation Foundation, chartered by the bill, will encourage, accept and administer private contributions to promote preservation of recordings, and public accessibility to the Nation's recording heritage, held at the Library and at other archives throughout the United States.

The bill authorizes appropriations of up to $250,000 per year for seven years to fund the Library's preservation program, and amounts over the same period to match the non-federal funds raised by the Foundation for preservation purposes.

Mr. Speaker, by enacting this modest bill and working with the private sector to leverage the available resources, the Congress can spark creation of a comprehensive, sensible and effective program to preserve our Nation's sound-recording heritage for our children and grandchildren. I urge its quick enactment.

REFLECTING ON FOREIGN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I am glad the gentlewoman from California is still on the floor, because I wanted to add my appreciation for her leadership in shepherding the debate on the Foreign Operations Appropriations bill, knowing the gentlewoman's commitment to social justice issues. She clearly evidenced leadership on some of these very vital issues of hunger and HIV/AIDS and debt relief. Likewise, I do appreciate the gentleman from Alabama (Mr. CALLAHAN) being willing to oversee some of the more contentious issues that we dealt with in dealing with foreign policy.

I thought it was appropriate after these last 48 hours to sort of conceptualize and summarize some of the human rights and justice issues that many times Americans do not focus on because it is or belongs to the other guys. It is foreign policy. It is those people overseas who are taking large chunks of our monies. But I want to remind this body that, in fact, the appropriations for foreign operations and foreign policy is but a sliver of the large budget of the United States of America.

But in that investment which, as I heard one of my colleagues from Alabama talk about what it would mean to an American if we invested in helping developing nations and very, very poor nations remove the heavy laden debt that they have on them, so much debt that all of their GNP is utilized not to pay the debt, but to pay the interest on the debt, almost as if all of one's income was utilized to pay for one credit card debt, and I would imagine there are some saying, that is the case; but by the fact that their GNP dollars are used for interest on the debt that they owe to all of these world institutions, they cannot provide for health care or housing or education or basic research for some of these devastating diseases.

So that is why there was such a feel of contentiousness around such issues as whether or not we should invest more in providing debt relief for countries like Guatemala and Honduras where the individual citizen gets $868 a month, probably less than what we would spend on a color television. In fact, our investment in debt relief may generate only $1.28 per American, as evidenced by one of our colleagues from Alabama, maybe a Sunday newspaper, or maybe, as he said, an ice cream cone.

If we look at the world as getting smaller and smaller, I believe that we would find the need and the importance of investing and ensuring that there is peace, rather than war, that despots are not able to take over these countries again. All of the young lives that we lost in Vietnam because we were so concerned about the domino theory and communism, and now that there is some peace in the Vietnams, it is important that we maintain peace by investment, by having the opportunity for the citizens of these nations to live a quality of life not equal to the United States, but certainly a decent quality of life.

So I supported the infusion of dollars into debt relief, because I believe Americans, once educated, would understand it is investment for our own safety and security.

It is important to listen to the crisis of those in Sierra Leone, a country very far away, who are crying out for democracy; yet they are suffering, because in Sierra Leone, as in other countries, they are conscripting children to fight the wars of men. Four- and 5-year-olds are now at war because the rebels are not allowing democracy and peace to survive. That is why I offered amendments that would put more dollars into peacekeeping and brought an amendment to the floor to stop the most heinous act of drawing children into war. It happened in Vietnam; those who remember the stories of young children who were racked with bombs that attacked our soldiers or who were carrying weapons. That is what is going on in many of the developing nations. The children that refuse to go into war, their limbs are hacked off, or they are being stolen as slaves and forced to kill. One such story was told of a child, Susan, who was forced to kill someone and to watch them die when she refused to go.

So we as a country dealing with foreign policy must ensure that that does not happen. As I close, Mr. Speaker, I believe issues such as the death penalty also require our attention for justice. With that, I hope this country will rise to its higher calling.

PRIVATIZATION OF THE URANIUM ENRICHMENT INDUSTRY: HOW IT AFFECTS AMERICA

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

Mr. STRICKLAND. Mr. Speaker, I have addressed this House several times in the last week and a half regarding a matter that is of great importance to this entire Nation, and that is the uranium enrichment industry which was privatized, an industry which was privatized 2 years ago.

Just recently, this privatized company made the announcement that one of the two enrichment facilities in this country would be closed, thus displacing nearly 2000 workers from jobs, and, I believe, endangering the economic and the energy security of this Nation.

I come to the House floor today because I want to share with Members of this House and with the country a letter which was sent to the CEO of this privatized company by the chairman of my committee, the Committee on Commerce. This letter was sent by the gentleman from Virginia (Mr. BLILEY). I would just like to read one paragraph from the letter, because I think it is relevant to what has happened with this industry.

Mr. BLILEY writes to Mr. Timbers: ''According to a Wall Street Journal editorial dated Thursday, June 28, you indicated that USEC's,'' the private company, that its ''recent decision to close the Department of Energy's Portsmouth Gaseous Diffusion plant was made in response to congressional intent in privatization language. Specifically, you state that USEC's decision to close the Portsmouth plant was the reason Congress privatized the company.''

Then Mr. BLILEY says to Mr. Timbers: ''I can assure you that this is not the case. A single operating gaseous diffusion plant with no credible plan for a succeeding enrichment technology is not what Congress intended for the privatized company.''

Mr. Speaker, the reason this is so relevant is the fact that approximately 23 percent of all of the electric generated in our country is generated through nuclear power. Mr. Timbers, through his actions and this private company's decision to close one of our two plants, I believe, puts in grave danger this Nation's economic and energy security.

In the letter to Mr. Timbers, the gentleman from Virginia (Mr. BLILEY) asks several questions, and I would like to share one of those questions and requests for information. He says to Mr. Timbers: ''In the event of an interruption of the deliveries of material from Russia over the next 5 years, how does USEC plan to meet its committed demands for SWU?'' That is, the nuclear fuel. And then he says: ''Please answer this question separately for each of the following scenarios: What happens if there is a 3-month delay in Russian deliveries, a 6-month delay in Russian deliveries, a 1-year delay in Russian deliveries, a 2-year delay in Russian deliveries, and a delay in Russian deliveries sustained beyond a 2-year period? For each of these scenarios, please assume that the delays begin after USEC has deactivated the Portsmouth plant.''

Mr. Speaker, the Nuclear Regulatory Commission will be issuing a report soon, and they must verify that USEC can continue to be depended upon to provide a reliable supply of domestic fuel to meet the Nation's energy needs. It is imperative that we define domestic as the material which is produced within the United States of America, and reliable must be defined as providing for 100 percent of our Nation's need for nuclear fuel.

If USEC cannot do this, then they can no longer be licensed to operate these gaseous diffusion plants, and that is all the more reason why this Congress should reconsider the privatization of this industry.

Next week I will introduce legislation that will enable us to do what we need to do, and that is to assume the Government's ownership of this industry once again and, therefore, protect our country from having to depend upon foreign sources for nuclear fuel for some 23 percent of our Nation's electric needs.

□ 1630

Mr. Speaker, I include for the RECORD a letter from the gentleman from Virginia (Mr. BLILEY) to Mr. William Timbers:

The letter referred to is as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, July 11, 2000.

Mr. WILLIAM H. TIMBERS,
President and CEO, USEC, Inc.,
Bethesda, MD.

DEAR MR. TIMBERS: As you know, the Committee is continuing its review of USEC privatization and its impact on national security and the domestic uranium industry. I am writing to you with respect to recent, troubling statements you have made on this subject, and to obtain additional documents and information related to USEC privatization.

According to a Wall Street Journal editorial dated Thursday, June 28, 2000, you indicated that USEC's recent decision to close the Department of Energy's (DOE) Portsmouth Gaseous Diffusion Plant (Portsmouth plant) was made in response to Congressional intent in privatization legislation. Specifically, you state that USEC's decision to close the Portsmouth plant was ''the reason Congress privatized the company.'' I can assure you that this is not the case. A single operating gaseous diffusion plant with no credible plan for a succeeding enrichment technology is not what Congress intended for the privatized company.

In a recent letter to Energy Secretary Bill Richardson dated June 20, 2000, you also stated that USEC has ''successfully implemented the HEU agreement,'' and that ''recent Congressional hearings have confirmed [the HEU agreement] has succeeded at the expense of USEC.'' I should remind you that USEC freely negotiated and bound itself to the terms of the current 5-year implementing contract, and in 1998 made public disclosures in support of an Initial Public Offering (IPO) of stock, which included a complete analysis of what impact the HEU agreement could have on a privatized company. Given the USEC Board of Directors' fiduciary responsibilities to its shareholders, I must believe that USEC's decisions last November to continue as Executive Agent—after threats of resignation—was supported by a thorough assessment and conclusions that the HEU agreement is important for USEC's survival.

I also am perplexed by the extreme aboutface you and your company have demonstrated on several issues in the months since privatization. For instance, in less than 12 months after privatization, the AVLIS technology went from USEC's low-cost solution for future uranium enrichment production, to a useless technology that will not see commercialization. Furthermore, I find it hard to believe that ''global business realities'' that ''no one could have foreseen at the time of privatization'' are the cause of USEC's precipitous decline over the past 22 months, as you indicated in your letter to Secretary Richardson. I am now more convinced that USEC's flagging business performance and the threat it presents to domestic energy security is directly related to questionable representations made by USEC to its Board in support of your bid for an IPO, as well as questionable business decisions made by the company since privatization.

Accordingly, in order to obtain a better understanding of these issues, I am requesting that, pursuant to Rules X and XI of the U.S. House of Representatives, you provide the Committee with the following documents and information by July 25, 2000:

1. Please identify the total amount of SWU USEC expects to sell over the next five years. Of this amount, please identify the total amount of SWU USEC expects to sell to domestic nuclear power companies.

2. Please identify the total amount of SWU USEC will efficiently produce at the Paducah Gaseous Diffusion Plant (Paducah plant) per year, for over the next five years.

3. Please identify the total amount of SWU USEC currently has in inventory.

4. Please indicate when USEC expects to obtain a license amendment from the Nuclear Regulatory Commission to increase its uranium enrichment capacity at the Paducah plant.

5. Please discuss the earliest date USEC can reasonably construct and begin to operate a new uranium enrichment plant, and at what capacity this new plant would produce SWU.

6. In the event of an interruption in HEU deliveries from Russia over the next five years, how does USEC plan to meet its committed demand for SWU? Please answer this question separately for each of the following scenarios: a three-month delay in Russian deliveries, a six-month delay in Russian deliveries, a one-year delay in Russian deliveries, a two-year delay in Russian deliveries, and a delay in Russian deliveries sustained beyond a two-year period. For each of these scenarios, please assume that the delays begin after USEC has deactivated the Portsmouth plant.

7. If the United States Government decides to terminate USEC as Executive Agent to

the HEU agreement, in part or in full, please describe how this would affect USEC and whether the company could meet its committed demand for SWU.

8. Please provide all records relating to communications between USEC or its board (or any of their directors, officers, employees, agents or contractors) and any outside individual or entity, whether governmental or private, regarding the decision whether to proceed with privatization or the choice among competing privatization options. For purposes of this request, you may limit your production to those records created on or after January 1, 1997. Please refer to the attachment for definitions of the terms ''records'' and ''relating.''

Thank you for your cooperation with this request. If you have any questions, please contact me directly, or have a member of your staff contact Dwight Cotes of the Committee staff at (202) 226–2424.

Sincerely,

TOM BLILEY,
Chairman.

THE HIGH COST OF PRESCRIPTION DRUGS IN AMERICA

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentlewoman from Michigan (Ms. STABENOW) is recognized for 5 minutes.

Ms. STABENOW. Mr. Speaker, I rise today, as I have on numerous occasions, to speak out about the high cost of prescription drugs for families all across America, and particularly for older Americans who are regularly using the largest number of medications on a daily basis.

I have for over a year now been leading an effort in Michigan when speaking with seniors, getting letters from them, have set up a hotline for people to call and share their concerns and stories about the high cost of their medication.

As a result of that effort over the past year, I have come to this floor sharing stories and reading letters from my constituents urging that we pass a comprehensive Medicare benefit for prescription drugs, one that is voluntary, one that is within Medicare, and will help our seniors pay for the costs of their medications.

Once again, today I rise to read a letter. I would like to read a letter that says, ''Dear Debbie, I don't call this fair for an elder citizen on fixed income to pay $2,100 a year to just stay alive. I need my heart patches every day to make my ticker keep going, my inhaler so I can breath, and pain medication to help me with the daily pain of my bones. Thank you for listening to me. Sincerely, Beatrice J. Homan.''

Mrs. Homan has also reported to me that she often does not buy her medications because she cannot afford them.

I have now twice taken busloads of seniors from Michigan across the bridge to Canada to demonstrate the dramatic differences in costs between our country and Canada. I would like to share with the Members, because we just took a trip a week ago, how we could make a dramatic difference for Beatrice Homan and the seniors of Michigan if we were to first allow prescriptions to be purchased by our pharmacists at a lower price in Canada, if in fact that is available, and secondly, if we were to lower the costs of prescription drugs in our country and provide a Medicare benefit for our seniors so that they can have real health care coverage.

We have Medicare that has been set up since 1965, but it does not cover the way health care is provided today. Under Medicare, we could go in the hospital and have an operation. We could get the prescriptions in the hospital. But most seniors and most of us are going to outpatient clinics, getting home health care, needing our prescriptions on an outpatient basis. That is what Medicare does not cover. It is outdated. It needs to be fixed. With the greatest economy we have had in over a generation, we can do it if we have the political will to make it happen.

I have had the opportunity to take our seniors from Michigan to Canada, and let me give an example of the differences in the costs.

Barbara Morgan normally pays $273 a month for her medications, and just crossing the bridge, 5 minutes across the bridge, we lower the cost from $273 to $31.83, a savings of 88 percent.

Lonnie Stone normally spends $800. We were able to get his same medications, FDA-approved, American-made, in Canada for $268, a savings of 67 percent.

Dorothy Price normally pays $477. We were able to cut her costs by 66 percent, to $163.20.

Ilene Carr normally pays $1,071.30. We were able to cut that by 50 percent, cut in half a $1,000 prescription drug bill.

We can do better than this. We are fortunate in our country to have wonderful public facilities in which research is done that our drug companies use to then produce products for the market. We are fortunate that we encourage that through taxpayers' funded tax credits to help with that research. We help to fund that, and yet in this country we are paying more than any other country in the world. Every other country is sold these same drugs, American-made, helped to be subsidized by the American taxpayers for less.

We can do better, Mr. Speaker, and I would strongly urge my colleagues to make prescription drug coverage under Medicare a priority.

THE NEED FOR NATIONAL LEADERSHIP IN PUBLIC EDUCATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from North Carolina (Mr. ETHERIDGE) is recognized for 60 minutes as the designee of the minority leader.

Mr. ETHERIDGE. Mr. Speaker, I rise today to speak about one of the most critical issues facing our Nation. That is the education of our children. Hopefully as this afternoon goes on I will be joined by some of my Democratic colleagues to discuss this issue and the need for national leadership in this whole area of public education.

We spend an awful lot of time in this body arguing back and forth about appropriations and budgets. We have just finished today doing that, and on and on. But what gets lost too often in all the sound and the fury of the legislative debate is the central meaning of the choices that we make and the people that it impacts so directly.

My colleague, the gentlewoman from Michigan, was just talking about prescription drugs, real live people. Education is about real live young people.

The budget and spending choices that we make help us define what our priorities are. They express our values. A whole lot more than what we argue about those values being, our actions speak for what our values really are.

Mr. Speaker, my colleagues and I in the Democratic Caucus have been working now for several years trying to give greater priority to education in the budget process.

Let me explain to all of my colleagues, the budget process is where the action takes place. We can talk about authorizing committees and they are the people who write the policies, et cetera, et cetera. Before I came to Congress I served as a legislator in North Carolina. I chaired the Committee on Appropriations for 4 years. Let me remind my colleagues, words are cheap, actions cost money.

I have often said to folks, there is a big slip between the lip and the hip. It is easy to talk about it, it is tough to put actions to words when it really comes to making it happen.

I go into an awful lot of schools. Before I came to Congress I served 8 years as State superintendent of my State schools. Children are pretty smart people, a lot smarter than some of us give them credit for. They know the difference between phonies and real folks who really mean what they say and say what they mean.

When they ride by a brand new $22 and $23 million prison to go to a rundown school building, one that the wind blows through in the wintertime, with no air conditioning, they do not have the books that they need nor the technology they ought to have, they can figure out right quick what is important in their community.

My colleagues and I have been working hard to make sure that we can focus in on these issues, because we do value education, because we know that lifetime learning or lifelong learning is the key to the American dream, not only for the middle class, but to allow people to move up into the middle class.

Education is the one thing in our society that allows people the opportunity to move up. I say it is great. It is the thing that levels the playing field. No matter what your ethnic or economic background, with a good education, you have a chance.

Certainly in today's global economy, America's international competitiveness is absolutely dependent on our people's ability to perform knowledge-based jobs. These are the kinds of jobs that produce the best jobs, the best goods. We provide the best goods and services in the world, there is no question about that. But if we are going to remain a world leader, we have to make sure our education lives up to those same standards.

In the new economy of this Information Age, what people can earn absolutely depends on what they learn and what they can continue to learn in their lifelong learning processes.

We have been trying to get Congress to give higher priority to strengthen our neighborhood schools, our neighborhood public schools, and demonstrate how much we value public education for our children. But, unfortunately, I must say that the House Republican leadership has pushed through Congress a number of very large tax bills.

Let me tell the Members what the challenge of that is. I am in favor of targeted tax cuts. I think we ought to have them, but we ought to decide what our priorities are and put a balance on it, because if we do those first there will be no money for education for our children when the time comes.

It is not right to leave our children behind and deny them the kind of educational investment that they need to make sure we have a world class education. We cannot do it without an investment. The last time I checked, computers cost money, new schools cost money, quality education and paying teachers and keeping good people in the classroom costs money.

No business in their right mind would put their businesses in some of the buildings we ask our children to go to school in today. Yet, we say we want quality education. We all want it. We ought to have the courage to make sure our elected leaders live up to the commitment, and not let them get away with just talking about it. I strongly oppose these kinds of misguided priorities.

I am pleased this evening to have joining with me my colleague, the gentlewoman from California (Ms. MILLENDER-MCDONALD), who is certainly a leader in education, who has worked hard in a number of areas. She is making sure that education is available to all children in the public sector, making that a priority.

I am pleased to yield to my friend, the gentlewoman from California (Ms. MILLENDER-MCDONALD), for her comments.

Ms. MILLENDER-MCDONALD. Mr. Speaker, it is great to be here tonight. My dear friend, the gentleman from North Carolina (Mr. ETHERIDGE), has been an excellent leader in education, not only in this Congress but throughout the Nation for many years, and we value his advice and his leadership on the issues that are so important to parents and to this Nation, given the need for educational opportunities.

Mr. Speaker, tonight I stand here to discuss the importance of technology in education. We have talked about the digital divide and how the gap has widened between those who have and those who have not, and especially among urban areas as well as rural areas of our children who have not had the opportunities to advance in this highly technological environment.

We have a great deal at stake when it comes to the technological literacy of this Nation's teachers and students. A strong work force and a strong economy depend upon the quality of our schools, the preparedness of our teachers, and the ability of our students to compete in an increasingly technical world.

The ability to use computer technology has become indispensable to educational, career, social, and cultural advancement. In the new millenium, technological literacy has not become only a basic requirement but a life skill as well.

It is then imperative that students are equipped with technology skills at an early stage in life by teachers who are skillfully trained to integrate technology in their curriculum and classroom learning environment.

According to the National Center for Education Statistics, Internet access in public schools has increased from 35 percent to 95 percent, and classroom connections have increased from 3 percent to 63 percent from 1994 to 1999.

While these increases indicate positive responses to the need for technology in the classroom, we must be cognizant of how efficiently and effectively this technology is being used.

According to the President's 1997 Committee of Advisors on Science and Technology, a ratio of four to five students per computer represents a reasonable level for the effective use of computers within schools.

□ 1645

In my district, however, Mr. Speaker, the ratios are much higher. In the city of Compton, the ratio is 18 students per computer. In the city of Lynwood, the ratio is nine students per computer. In Long Beach, the ratio is eight students per computer.

Considering the socioeconomic demographics of my district, these numbers are just not acceptable. The children in my district and insular districts across the country are falling behind, and something must be done to stop it. Equipping our schools with technology is the first step in fulfilling the challenge to promote technological literacy in our schools.

Another real challenge lies in feeling the vast training gap and in providing trained teachers who can incorporate computer technology in all aspects of the learning experience.

A study by the National Center for Education statistics found that only one teacher in five felt very prepared to integrate technology in the subject they taught. This fact is not surprising when, according to a study by the Milken Exchange on Education Technology, teachers on average receive less than 13 hours of technology training per year, and 40 percent of all teachers have never received any technology training. That is really a travesty.

In addition to that, teachers receive far less technology curriculum integration training than basic computer skills training. Forty-two percent of teachers have had 6 or more hours of basic skills training within the past year, compared with just 29 percent of teachers who had an equal amount of curriculum integration training.

Yet, research shows that training on integrating technology into education programs has a greater impact on teachers than basic technology skills training. Clearly, the key to successfully integrating technology into the classroom will not be in installing more hardware or software, or wiring schools to the Internet, the key will be training teachers to be integrators.

Now is the time for action. The U.S. Department of Commerce estimates that, by the end of the year 2000, some 60 percent of jobs will require proficiencies in the use of a broad range of information technologies. By the year 2005, the Bureau of Labor Statistics estimates that there will be growth of 70 percent of technology-related jobs.

This issue, however, is not focused solely on preparing students to assume the jobs of the future. More important is the need to prepare students for America's life and culture, both of which will be influenced heavily by technology.

In order to produce a citizenry ready to accept upcoming technological challenges, we must be willing to make a significant investment in education. By preparing teachers and students, we are paving the way to a brighter, more prosperous future.

I thank the gentleman from North Carolina (Mr. ETHERIDGE) so very much. I think he recognizes as much as I do how digital divide and technological training is so important to students as well as teachers in planing for the future.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for that point. She certainly has been a

leader in this whole area of technology, in the digital divide, but she may want to comment on this further, because I think it is critical for our colleagues to understand.

It is not just to say, as the gentlewoman said, we provided the resources, because the E-Rate has been helpful working with the administration getting that out there so we get the rate down. So many times, people forget, and I think our colleagues here forget, even though we put in roughly 7 percent of all the funds at the Federal level for education, we can be a real catalyst by providing leadership and training and staff development and all of those things.

But when we talk about technology and hardware, it reminds me of someone who would buy a car and then do not let one drive it. Because we have so few pieces of equipment in some cases in some of our schools, those who do not have the resources, depending on where they may be in the country. That is wrong. It is absolutely wrong. It is like buying an automobile and say, well, we are going to park it here, and one gets to drive it every week or so.

But that is what we do with technology. We do not even let the teachers use it. Then until we have training on the staff, we are doing a better job. We have got a long ways to go. The gentlewoman may want to comment on that as it relates to this whole issue of the digital divide because that is really what we are talking about.

Mr. Speaker, I yield to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-MCDONALD. Mr. Speaker, this is very true. As we have looked into the digital divide, we do find that, not only is that divide among the students in the classroom, but among the teachers as well.

We find that a lot of the computers that are given to students in the inner city area are really all outdated computers that cannot really be used for training, nor has the teacher had training on computers as well.

I have a program in the Watts area where we are now asking for old computers to come into that area where we will train young folks to prepare, do maintenance on old computers. Then once they have done that, we train them on that computer and then send that computer home to the parents for the kid to learn on.

This is a whole new innovative concept in helping parents as well as students to understand the realization and the importance of technology. We also find that teachers are very fearful because the curriculum and the liberal arts colleges are not putting technology in the curriculum for training or the teacher training program.

So the gentleman is correct. It is important that, as we look at the digital divide, we look at that division within the teacher training programs as well as the students who are, for whatever reason, have been given old outdated computers that really do not do anything in terms of teaching them.

Mr. ETHERIDGE. Mr. Speaker, we have, and I am sure it is in several other States, certainly in North Carolina, where we have a group that actually are taking computers, corporate folks are providing for them. Once they will take all of the insides out of the computer, they are putting new components and booting them up.

The students, then, they are really becoming technicians for computers. Those computers then go to the classroom. In a lot of the cases, this came as a result of things we were already doing, but we escalated it during the flood of eastern North Carolina because we lost an awful lot of equipment in a lot of our schools. That is starting to take place now in a lot of places in our country.

What is happening to these young people, they may go into the university or they may go into the private sector, because they now are technically capable of making substantial salaries working on computers. That may be what the gentlewoman is talking about when she is talking about her digital divide.

Ms. MILLENDER-McDONALD. Mr. Speaker, that is exactly what I am talking about. When the gentleman from North Carolina spoke about the E-Rate and the wiring and how that is important; but the most important thing is to get adequate computers into the classroom. The ratio should be as such where students will get the type of computer training that is necessary to ensure that the training that they have will be commensurate with their going out getting a job once they have completed their secondary education or even post secondary education.

I will say, as well as serving on the National Commission on Teaching on America's Future, as we look at the whole integration of technology and to the teacher training program, we find that a lot of the professional development that teachers are taking now are suggesting, or those who are giving that, suggesting that that professional development training require a certain amount of computer literacy.

I am very thankful that the gentleman from North Carolina sought to bring us to the floor today to talk about education. We cannot talk enough about education and about the opportunities that are out there for the children of the future and teachers of the future if we, indeed, have the propensity to put the computers in the right spot.

So I see others who have joined the gentleman from North Carolina on the floor. I will move out if the others move in.

Mr. ETHERIDGE. Mr. Speaker, I yield to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman from North Carolina very much for arranging this special order on education which is dear to all of our hearts but certainly is one that he has provided leadership, and I want to acknowledge that leadership and that commitment and that love for it.

But I wanted to engage the gentlewoman from California (Ms. MILLENDER-MCDONALD), before she left, on her concern in raising appropriately the whole training of our students and providing the technology within our schools and put it in the context of something we are going to be doing very shortly in this Congress.

We are going to be voting on the H1–B visas, which is critical for the high-tech companies in making sure they have the staff capacity, not only to do the work they are currently doing, but also to be on the cutting edge in doing the technical research and responding to new opportunities. They have made a compelling case that, indeed, they do need them. I am convinced that they, indeed, need those high-tech individuals.

But what is troubling about the fact, and I believe they are correct, what is troubling about that is that our education system here in America has not produced a sufficient supply that they can feel they can rely upon unless they forever increase.

That is not to curtail bringing in intelligent, gifted individuals who may not be resident. I think that is what makes our country great, that we have that diversity. But to allow that to continue without putting intervention, we miss an opportunity.

So our rhetoric will be able to be tested. We have a window of opportunity, I think next week, if not next week, very soon. Given this need and our response, what do we say to the high-techs? Not necessarily in penalizing them, that is not what we want to do. But we want them to engage in fostering the education systems that are in our high schools, in our colleges. If necessary, what are they doing from China? What are they doing in India? What are they doing in Asia that automatically produces in that system a superior engineer? It is not that we are not producing engineers. It is not that we are producing programers but not apparently the ones that meet those criteria.

So there has to be a forcing of that relationship first to make sure we have a pool and understanding at the elementary and secondary work.

Then the additional one is that I think we need to really, in addition to increasing the penalty or the fee they pay, I think they have monies, they are not short of money, what we are short

of is their relationship and their involvement in our communities.

So we ought to forge a relationship that says, you have this need here, you are making this request, well, there are American citizens that also need those jobs, and we are just asking you if you would please, sir, please, madam, work with our citizens in rural areas and inner cities and our students so we can give you the product you need.

That requires, not a commitment in theory and theme, but a numerical commitment by year, 2 years, 3 years we can make ourselves.

Mr. ETHERIDGE. Mr. Speaker, that is an important point as we deal with it. I think we need to keep in mind and remind our colleagues that it really is called, not just H1–B visa, working at the top, but it is called for a need for investment at every level.

For instance, on the 100,000 teachers we are talking about that Congress has been engaged in, and we are still fighting the battle to get this year to reduce class sizes for children in the kindergarten and third grade level. That is where we create and get young people interested in the sciences and the mathematics, to create those scientists 8, 10 years from now. The only way we are going to do it is engage them early.

Since the gentlewoman from North Carolina raised that issue, let me just share with her some examples, because many times people, some of our colleagues on the other side want to jump on partisan politics and talk about how bad the public schools and what they are not doing.

Let me just share with my colleagues the student mathematic achievement is improving. That takes a while. It takes an overall commitment and sustained investment over time. Between 1982 and 1996, student improvements have improved their achievement on mathematics by the National Assessment of Education Progress. But the problem we have is, even though the improvement is there, we still need to have more.

If we reduce those class sizes at the early grades where we can really excite a young person in mathematics, and they can see where it leads to, the ones who really we are losing are those in the point the gentlewoman made on the digital divide earlier, they are in those schools that do not have the resources to get them engaged. If no one engages those young people early, it is amazing. My colleagues have been in the classroom as I have, all of you have, it is amazing what one sees in the eyes of those students. Once one sees it in their eyes, one sees exciting things happen.

□ 1700

And down the road, all of a sudden the youngster decides I want to be an engineer, and maybe there has never been an engineer in their family. But that is how we turn it around. We are probably always going to bring in some of the best from around the world; but we should not, I agree with the gentlewoman, we should not leave the gap open for all the people.

Ms. MILLENDER-McDONALD. Mr. Speaker, I agree with both overtures of what both my colleagues have just said. I think mainly we must see in this H–1B bill some provision by which outreach can be done in our urban and rural communities to begin to train our young folks in the area of math and science.

Secondarily, I think there has to be an outreach program to the HBCUs of students who are already in math and science. We do have young folks who are coming out of these schools ready to go into the jobs that they are talking about; but if we have not gone to those campuses, and we do not know that they are there, then we tend to think there is not a prepared group of folks out there waiting for the jobs.

When I was director of Gender Equity for Los Angeles Unified, we had to make sure that we went around this Nation and look in every nook and cranny to try and get those who have been prepared for those particular subject areas and disciplines that we were looking for. I think we have no other recourse but to make sure that this bill has some provision of having the high-tech companies utilize those fees for outreach and for training of those who are in that digital divide and in that gap.

Mrs. CLAYTON. Actually, some of them are. And what we want to do is to increase that.

Ms. MILLENDER-McDONALD. To expand, yes.

Mrs. CLAYTON. To expand that. And even those that are, we do not have a numerical number of expectancy of their growing their own and their hiring.

So if we increase the amount of money, which I think they will willing cooperate in, because I have not found a high-tech company that says that money will be a problem, I think where the challenge is, and I am not sure it is a challenge we cannot overcome, I think where there may be some resistance to committing themselves to is a numerical number. On the other hand, that is what H–1 visas are all about, increasing the numbers. I am just saying that as we increase those numbers, we should increase the number of a goal that we are willing to commit to; that we will educate, and we will train and we will hire from rural America and from urban cities. The same numerical goal that these companies are requesting the government come and double. That is all I am saying.

It obviously should be something that is workable and that they are willing to do, because it is an investment in America. It is an investment in our communities. It is an economic stimulus that a young person in Wilson County or in Edgecombe County or in the gentlewoman's Compton community knows that there is a company that is interested in me. And, guess what, they are going to do real well because they want to make sure that they fulfill that requirement.

We will not have to look for that person. We will not have to get a recruiter to recruit that person from abroad. They are committed early on. This is not something that is brand new. We have done this before. We have done this in science. Remember when we wanted to send explorers in space? We had a National Science Foundation. We gave scholarships. In high schools we had these academies. I am saying we can put that same kind of energy, saying that Americans' ingenuity and our talent needs to be reinvigorated and give people that incentive.

I just think this is an opportunity to open that door. And I think things in education that we can help in as a government are the technology centers. It is critical. Adding new technology, reducing the class size, making sure kids know more early on in science and math. And we are doing better in science and math.

Years and years ago, I tell people a hundred years ago, I used to head a program at the University of North Carolina for health professionals. At that time the issue was how do we get more rural kids and minorities to go into the health profession; how do we get doctors and nurses. Well, we could not wait until they came out of college. We had to get them in high school. So what we did in high school was to stimulate their teachers and others, and then some of the college students would come early in their career, not at the senior year, but early in their career, and give them advanced courses in math and prepare them for the MCATs and get them with the expectation that they can excel. We just put them on an accelerated path.

So I think the education system, in marrying it with the opportunities, is why education becomes important.

Ms. MILLENDER-McDONALD. If I can just ask the gentlewoman from North Carolina to yield for just a second, and then I know the gentleman from Maryland (Mr. CUMMINGS) is here, and he has been absolutely a divine young man to sit here and wait for us as we talk about this, and he wants to get into the fray; but the one thing I am concerned about as well with this H–1B bill is that it is inconceivable as to whether they are professionals who are coming over or persons, as the gentlewoman has just mentioned, straight out of high school.

Mr. Speaker, I stand before you today to discuss the importance of technology in education. We have a great deal at stake when it comes to the technological literacy of this nation's teachers and students. A strong work

force and a strong economy depends on the quality of our schools, the preparedness of our teachers and the ability of our students to compete in an increasingly technical world. The ability to use computer technology has become indispensable to educational, career, social and cultural advancement. In the new millennium, technological literacy has not become only a basic job requirement, but a life skill as well. It is imperative that students are equipped with technology skills at an early stage in life by teachers who are skillfully trained to incorporate technology in their curriculum and classroom learning environments.

According to the National Center for Education Statistics, Internet access in public schools has increased from 35% to 95% and classroom connections have increased from 3% to 63% from 1994 to 1999. While these increases indicate positive responses to the need for technology in the classroom, we must be cognizant of how efficiently and effectively this technology is being used. According to the President's 1997 Committee of Advisors on Science and Technology, a ratio of 4 to 5 students per computer represents a reasonable level for the effective use of computers within schools. In my Congressional District, the ratios are much higher. In the city of Compton, the ratio is 18 students per computer. In the city of Lynwood the ratio is 9 students per computer and in Long Beach the ratio is 8 students per computer. Considering the socioeconomic demographics of my district, these numbers are just not acceptable. The children in my district and in similar districts across the country are falling behind and something must be done to stop it.

Equipping our schools with technology is the first step in fulfilling the challenge to promote technological literacy in our schools. Another real challenge lies in filling the vast training gap, and in providing trained teachers who can incorporate computer technology in all aspects of the learning experience. A study by the National Center for Education Statistics found that only one teach in five felt very prepared to integrate technology in the subject they taught. This fact is not surprising when, according to a study by the Milken Exchange on Education Technology, teachers on average receive less than 13 hours of technology training year per, and 40 percent of all teachers have never received any technology training. In addition, teachers receive far less technology curriculum integration training than basic computer skills training. 42 percent of teachers had six or more hours of basic skills training within the past year, compared with just 29 percent of teachers who had an equal amount of curriculum integration training. And yet, research shows that training on integrating technology into education programs has a greater impact on teachers than basic technology skills training. Clearly, the key to successfully integrating technology into the classroom will not be in installing more hardware or software, or wiring schools to the Internet. The key will be in training teachers to be the integrators.

Now is the time for action. The U.S. Department of Commerce estimates that by the end of the year 2000, some 60 percent of jobs will require proficiencies in the use of a broad range of information technologies. By the year 2005, the Bureau of Labor Statistics estimates there will be growth of 70 percent in technology related jobs. This issue, however, is not focused solely on preparing students to assume the jobs of the future. More important is the need to prepare students for American life and culture, both of which will be influenced heavily by technology. In order to produce a citizenry ready to accept upcoming technological challenges, we must be willing to make a significant investment in education. By preparing teachers and students we are paving the way to a brighter more prosperous future.

Mrs. CLAYTON. Well, I get the understanding, and let me correct myself, my understanding is actually there is a requirement they must be professionals. I think there is a standard. So I did not mean to suggest that. I think they are either engineers and meet a certain requirement and may have worked a year. I am not sure, but I think there is even a dollar amount for which they cannot go below.

I am just saying that as we approach this, why do we not look at the education system and say how can we use this need in the community as a way to stimulate our high schools and colleges and our private sector to have a more rigorous curriculum and a commitment to hire so the next time around we will be ready to meet this criteria and use the same experience we have had before.

Again, I want to commend the gentleman.

Mr. ETHERIDGE. Mr. Speaker, I thank the gentlewoman, and I see now that my friend from Maryland is here, and I appreciate his being here this evening and I would yield to him.

Mr. CUMMINGS. I want to thank the gentleman for his leadership in this area, and I certainly want to thank my two colleagues with us this evening.

As I was listening to the discussion, I could not help but think about a program in my district where Morgan State University works with an elementary school. They have about 40 students that work with elementary school students, mainly concentrating on the areas of science and math. So these young children are exposed to these Morgan State University college students, and they become interested after school in science and math; and they are doing extremely well.

I really believe that we have to teach the children's strengths. I always think about the story of Steven Spielberg when he was a little boy. Apparently his mother did not have very much money, but she got him a camera because he had told her he was interested in a camera. So he got a little simple camera, and he began to take pictures and make little slides and then movies, and the next thing you know, look where he is. But she saw where his strength was and she went there.

As I was listening to the things that the gentlewoman was saying, she is so right, because just a few weeks ago I was sitting in a meeting with hospitals from Maryland, and they were sitting there talking about how they needed to go outside the country to get nurses. Yet I have young people who are in my district who, if they were exposed at an early age and given some encouragement and nourishment and taken into the hospitals or whatever, might very well be the nurses that they are looking for. Yet they are going beyond the borders of our community trying to find nurses.

So we are fortunate, and I pointed out to them, that we have another project, Johns Hopkins Hospital, which has been ranked number one in the country, has a program with a high school, Dunbar High School, where they actually bring in young high school students into the hospital working with doctors, learning about various professions in the medical field. That program has been going on for 20 years, and a lot of those students are now going into the medical profession. Why? Because they were exposed to something. Why else? Because they had an opportunity.

So the President said today at the National Association for the Advancement of Colored People, many of us have the intellect, but not all of us get the opportunities. So I do appreciate what the gentlewoman has said as well as the gentleman from North Carolina.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. ETHERIDGE. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I want to thank the gentleman from North Carolina and congratulate him on the special order he is leading now, and to wish all my colleagues a great weekend as they proceed with their return to their districts.

Mr. ETHERIDGE. I thank the gentleman.

I also thank the gentleman from Maryland, Mr. Speaker, and if he will yield for just a moment more. As we are talking about this whole thing of education and mathematics and opportunity for young people and giving them a challenge and a vision, I would just tell the gentleman that the students in my home State of North Carolina, where we have paid a lot of attention, as have a lot of others to this whole issue of mathematics over the last several years in education, as I was talking earlier on regarding the NAPE scores, which really measures mathematics, their national average scores have gone up three times the national average over the last several years on the NAPE scores, because we have paid a lot of attention to it. We have measured it. Some of the greatest gains have come from our minority students, which is crucial, because we have absolutely no child that we can waste in the 21st century. All of our students are so needed as we get there.

And we have other good news as well that I will share with the gentleman and then yield back to him. Student science achievement is improving, and that is important. SAT scores have increased dramatically, not only in my State but we have seen them go up across the country. A lot of people have battered public education and beaten down our teachers and others. They fail to hear these good things that are happening. And I want to pay attention to the good things that are happening for a lot of children who come from some tough backgrounds and tough opportunities who are already achieving. ACT scores are up. Students are taking more AP exams.

I would share with the gentleman what an AP exam is. When people say what does that acronym mean, it really means an advanced placement course for a student who is in high school. Let us say the school only offers a second year of algebra and the student wants to take physics or something else. They can actually take an advanced placement through a mailing and then they can take that test. It is a college level course at high school, and some students can take several courses, saving a lot of money when they get to the university. And we are seeing that improved tremendously.

Another point I would make before I yield is that we are all concerned that our schools be totally safe, every one of them. And we want that, and we should. But the truth is violence is down in our public schools dramatically; and public school teachers, by all the statistics out, are really better educated than they have ever been. And, on average, they are better educated than many of them who are in some of the private schools we have in this country. More students out of our public schools are going to the universities.

What folks forget is that we have more children in public schools today than we have ever had in the history of this country. Now, the challenge we face is if we have more people, guess what that is going to mean? Our resources are strained because classes are more cramped, we need more teachers, we need all the things to support them, and if we are going to have smaller class sizes, we have to run faster just to keep up. And that is the point the gentleman was making, as we start trying to encourage young people to get into the professions that they may not have thought about.

One of the points the gentleman made as we were talking earlier, and the gentleman is absolutely right, is that the challenge we face today is recruiting people to teach our young people. How do we recruit the quality people we need to get there? There was a time in this country when we had a fairly adequate supply of teachers. Unfortunately, it was a time when the opportunities for women were not what they are today, because they either went into nursing, clerical jobs, or into teaching, and we were blessed by that.

But once we opened the doors to all professions, and we should have, not only for women but all others, that then made the job of retaining and attracting the people we need in education and in nursing, as the gentleman mentioned earlier, more difficult. This means that we have to pay more attention to making sure that those professions not only are attractive but the conditions they work under are also attractive.

And number three, we must pay them an adequate wage. We can no longer say that they cannot move from point A to point B. They are going to move. My son teaches school. It costs him just as much to buy a loaf of bread in the local store as it does the president of a local bank that may make four or five times as much. Now, obviously, people go into education or nursing or into professions or rescue squads or fire departments to make a difference, and we are talking about education.

□ 1715

The truth is we have to start valuing and honoring those teachers and say to them, you do a good job, we appreciate what you are doing, instead of beating up on them all the time.

I yield to the gentleman from Maryland.

Mr. CUMMINGS. I thank the gentleman for yielding. I was just thinking about what you were saying. It is important that we do pay our teachers wages that are reasonable and that they can live off of. There was just an article in the paper in Baltimore that stated that as we move towards September, the September opening of school, we have a teacher shortage and we are doing everything in our power to find teachers. But one of the things that is for sure, we have got to pay them. We have got to pay them well.

I want to go back to something you said about conditions of teaching. I was talking to some friends of mine who teach in private school. The interesting thing to note is that these folks were actually making a little less than they would make in public school. I said to them, why did you make that change? They said, because of the conditions. They were able to teach smaller classes. Their hearts are into making sure that every child succeeds, that no child is left behind, and they felt that the conditions, if it got to 34 or 35 kids in a class that trying to teach it was very, very difficult, not that they did not want to do a good job but it was very hard to be effective.

I agree with you. One of the things that I was thinking about, too, as you were talking is that in Baltimore, one of our first high schools to get blue ribbon status was a school that I graduated from in high school that just got this national blue ribbon status, Baltimore City College High School. One of the things you were talking about a little earlier was the advanced courses, college courses. What that goes to is high standards, high standards and high expectations. I did not want to let that go by.

Mr. ETHERIDGE. For all children.

Mr. CUMMINGS. For all children. I think what happens so often is that if you have low expectations, then children do not even know the standard to even reach for the high expectations. But one of the things that I have noticed, you and I had a discussion not long ago about when we go into our schools and what makes a good school, what do you see in a school, what do you experience in a school when you are visiting that tells you without anybody showing you any scores that it is a great school? One of the things that we talked about was that you had a strong principal. You had excitement. You could just see it on all the walls, the bulletin boards, that things were happening. But there was also an air of high expectations. I think that that is one of the things that we have got to get back to, that high expectation. When you talk about the schools that you have just talked about doing better, that sends a message to other schools and it says, if they can do it 20 miles down the road, we can do it, too. When Baltimore City College High School in Baltimore became one of the few predominantly African American schools in the country to become a national blue ribbon school, not only did it mean a lot to the students at that school but it meant a lot to the entire community. There were other students who were at other schools similar to Baltimore City College High School saying, we can do it, too.

We have got to get back to that, to that positive role model stuff. A lot of times we hear about negative role models. I think years ago you had a lot of positive role models. There are a lot of positive role models today, in students, in schools, in neighbors. I think the things that we are talking about today are the good things about our schools. You are right. We hear so much negative, negative, negative but there are so many wonderful things happening since the last time you and I discussed this, because we have seen some smaller class sizes, we have seen our children in like the first, second and third grade, we have seen their scores going up in Baltimore, too, substantially.

Mr. ETHERIDGE. That is absolutely right. That is why it is imperative that this Congress not go back on the commitment they made and to keep putting that money in there. All of us use the language of the new economy. It is true, it is propelling our business cycles, everything is revolving around it but we have got to provide national

leadership in this vital area of education, so that everyone can be a part of this new economy. We cannot leave people behind. If we do not make sure that every child gets a good education, that we set high standards, we have high expectations, they will not be a part of it. If you deny in my opinion a child an education, a quality education, you have denied the whole family of that because once they get married, you have created a whole second class citizenship for those children. Across this country, the American people are calling out for greater investment in public education. They do not care whether it comes from Washington or their State capital or the local. They want the investment in education. When we invest that money, there is something else they are asking for and they are going to demand, and I think the Republican leadership has missed this because they want to talk about vouchers and take the money out of the public schools and that is wrong. We do not need to do that. We need to leave it in the public sector because it would drain the resources away and deny some children the opportunities they need. My colleagues, you and others who have participated in this this evening, I think we do have a better idea. We want to invest in a national commitment of education excellence, where schools are accountable to the taxpayers for raising those standards that you have just talked about and that every child has an opportunity to learn at a much higher level than ever before. I say that because improving education in this country is about creating a classroom environment where children can learn and teachers can teach. We need to foster greater connection between students, teachers and parents. When I say parents, I am talking about the community. Our schools can do better. They will do better. But they need our help to do better. They need our constructive help. They do not need our constant criticism, berating and pushing them down. A child knows when you are being positive and you are helping. You can be critical in a positive way. A child knows. So do their parents. They know if you really want to help. They also know if you are being condescending and you are ignoring them. We have a responsibility in my opinion, the highest body elected in this country, to provide that kind of leadership. We need to work together to get it done.

I think one of the best ways we can improve education is, number one, certainly what dollars we put out to reduce class sizes will not do it all. We know that. We are not that dumb. But we know it sends a powerful signal that we care. And about school facilities. We cannot build all the schools that need to be built. I put a bill in, the gentleman from New York (Mr. RANGEL), and Congresswoman JOHNSON have come together on a bill to provide billions of dollars. That will not do it all, but it sends a powerful signal that we care. When we started in this country making sure that every person, and you remember this, would have a telephone, we were not here, but Congress said, by gosh, the person at the end of the line is going to have a telephone, we are going to have a policy that makes it happen. We were not involved in telecommunications until then. We were not involved in electricity until we decided that the person at the end of the line in the most rural part in the mountains is going to have electric power and it changed America. We can do it today. In an age when education is at a premium that it has never been at before in this country, we are beyond the time when we can educate 25 or 30 or 40 percent. We have to educate 100 percent. Every child has to be a part of it.

Mr. CUMMINGS. Someone once said that children are the living messages we send to a future we will never see. Children are the living messages we send to a future we will never see. As I listened, I could not help but think about the other day when I was jogging in a park near my home. As I was jogging, I literally ran past my eighth grade civics teacher. She waved. I did not realize it was her. Then I thought about it, I thought, she looks so familiar. I turned around and I said, Ms. Wilder, thank you for all that you have done for me. Thank you for all that you have done for me. Because I realized that here was someone who impacted my life back in the eighth grade, a son of two parents who never got past the first grade, but I knew that that teacher had impacted my life tremendously and taught me civics, some of which I use in this Chamber today, some 40 years later.

And so all I am saying to you is that I agree with you, and there is something else that I just want to add, a footnote to what you just said. The American people want our children to be all that they were meant to be. I think one of the saddest things is for someone to have the potential and not be given the opportunity to be all that they can be. What does that deprive this wonderful society of? Of doctors, of heart surgeons. We have a gentleman in Baltimore, Dr. Benjamin Carson at Johns Hopkins Hospital who was almost a dropout from school. Now he is one of the most renowned neurosurgeons in the world. All I am saying to you, when we think about what we are trying to do here and talking about our schools and lifting up our children, I just believe in my heart that every child when they are born, there are certain things that are in that child that an education brings out. When we do the things that we are doing, that is, give them fertile ground in which to grow, then they can become all that they can be. But if we do not give them those opportunities, the things you just talked about, giving them classes that are small enough so that they can learn, giving them teachers that are skilled, giving them computers so that they can learn the best technology, giving them the tools to allow them to grow, then they are not only deprived for a few years, they are deprived for a lifetime.

Mr. ETHERIDGE. The gentleman is absolutely correct. I remember something a friend of mine said when I started down this road to public life when I was really earning my living in the private sector where I was for 18 years. I was chairman of the board of county commissioners, he was on the board, we were here in Washington many years ago at a Chamber of Commerce meeting, incidentally, and he made a statement I have never forgotten, because we were involved in building schools and doing some things. He said, ''Don't ever forget, you are making decisions for people who have not yet been born.'' We forget that too many times. Here in this building, the United States Capitol, the most powerful Nation in the world, we cannot say we cannot take care of our children. We cannot say we cannot have a better education system because we can afford it and we can require excellence. We need to provide support for our teachers as they do their difficult, and it is a difficult job, but it is a critically important job, maybe one of the most important jobs we ever ask anyone to do outside of what families do for our children. We have had enough teacher bashing by people in this House, some of them on the other side of the aisle. Rather than talk about block grants to people, let us send the money down, I hear block grants as if that is the answer, make them compete for it. I was a superintendent for 8 years. You cannot plan a program on a block grant because you have got to compete for it every year. You only have a program when you have got money coming in and you know you are going to have it to hire quality teachers. People are not going to take jobs if they do not think they are going to have it next year. They will go somewhere else.

The final point that I would make, and it triggered a thought with me when I heard you talking about opportunities for all of us. I wonder how many of us who now currently have one of the greatest privileges any person can have, to serve in the United States House of Representatives, would be here had we not had an opportunity for good public education when we were growing up. I would not be here.

Mr. CUMMINGS. I know I would not either.

Mr. ETHERIDGE. I think a lot of my colleagues would not be here. I think we have to recognize that someone

made a sacrifice for us. They paid taxes at my local school when school was really a nice building there, one of the nicest buildings in my community. I am grateful for that. If I ever complain about it, I hope someone will remind me, because I have a great debt to them. But I also have a debt to all the young people who are not my children because we only have three and they have been blessed to go through the public schools but I owe a debt to all the rest of the children. Because someday as one of my friends who was very successful, he will never have to worry about his Social Security because he is well off, but he made a statement serving on a task force that I had appointed my first year as superintendent to improve education. He said, I want every child to get a good education. I do not care where they come from. I do not care what their ethnic background is. I just want them to make a lot of money so I can draw Social Security.

He said that for a lot of folks who were not there because he did not need the Social Security. But he was making a statement of values, a statement of values. We should never forget. We have an obligation to a lot of folks who made a lot of decisions for us before we were here and we do not need to pull up that net or that rope behind us for all those children who are out there.

□ 1730

We need to make sure they have a quality facility with the things they need, the things the teachers need to help. We need to make sure in this Congress we stand up and provide the leadership. We do not need to lay down and play dead for special interests.

Mr. CUMMINGS. Because if we lay down and play dead, our children die, and it is as simple as that. You are right, we cannot afford to lay down and play dead, because we have so many people who are depending on us. When you asked that question, when you made that statement, rather, you wondered how many of us would be here if we did not have the teachers that were involved in our lives and the education. I can tell you, I know I would not be here.

Someone once said that every successful child, if you look at the history of any successful child, you will realize that there was at least one cheerleader for that child standing on the sidelines rooting them on. And, guess what? In many instances they were teachers standing on that sideline, but not only standing on the sideline, but getting on the field and holding hands and nurturing and encouraging and running with them and telling them what they could do.

So that is what it is all about. I am so glad that the gentleman did take this time to dedicate to it. There are so many subjects we could have been talking about, but here we are talking about the field of education.

One quick other thing. When we talk about exposing our children to opportunities and exposing them to the kinds of things that they need, just a few weeks ago in our district, in the 7th Congressional District of Maryland, which is basically Baltimore City, what we did was we got a few computers, five computers, I think it was, from EPA, and we presented them to an elementary school.

I am going to tell you, the kids, you would have thought we had given them $1 million. But in talking to the principal of the school, she said you know what our biggest problem is? She said our biggest problem is that the children do not want to go home. They stay in the computer room.

She said something else that really touched me. She said, you know, we used to have an attendance problems with our little boys. She says now our attendance situation is something like 99 percent for our boys. Why? Because, again, they are teaching to their strengths. They are teaching to their strengths, and that makes a difference.

It is not only that you expose children to various opportunities, but you also need to know what direction are they going in. Some of them may want to be an artist, some may want to be a doctor, some may want to be a lawyer. But it is those teachers, I am telling you, that see it early on, and they can make a lot of judgment calls early on and begin to guide those children in the right direction.

Mr. ETHERIDGE. I thank my friend from Maryland. I thank him for joining in this special order this evening.

In closing, I would say that our communities need help in not only building quality public schools that have good discipline and foster positive learning environments for our children, they need resources for teachers to make sure we have reduced class sizes and the tools in it.

The final point I would make, having served last year on the Speaker's Bipartisan Working Group on Youth Violence, we came out of that talking about some of the things we could do to help make a difference. One of the reports that came out of that was character education. We put in a bipartisan bill on that now, to talk about those things we can do, schools can do, parents can do, communities could do, to make a difference in our school.

I think nothing is more important in our Nation for the public wealth than for the training of youth in wisdom and virtue. Only a virtuous people are capable of freedom. That is not unique. That was said by Ben Franklin. It is still true today, as much as it was over 200 years ago. That is important.

Finally, Mr. Speaker, I want to thank my colleagues for joining me this evening, and would like to call on this Congress to truly make education its highest priority this year, as we turn the corner on the 21st Century.

REPORT ON RESOLUTION WAIVING A REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO THE SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED BY THE COMMITTEE ON RULES

Mr. DREIER (during the special order of Mr. ETHERIDGE), from the Committee on Rules, submitted a privileged report (Rept. No. 106–732) on the resolution (H. Res. 550) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

THE DEVASTATION OF CANCER

The SPEAKER pro tempore (Mr. SIMPSON). Under the Speaker's announced policy of January 6, 1999, the gentleman from Texas (Mr. BARTON) is recognized for 60 minutes as the designee of the majority leader.

Mr. BARTON of Texas. Mr. Speaker, before giving my special order on cancer, I yield to the distinguished gentleman from Arizona (Mr. KOLBE) to speak about a good friend of mine and his and this entire body.

TRIBUTE TO RON LASCH

Mr. KOLBE. Mr. Speaker, I thank the gentleman from Texas for yielding. I will be brief, but I especially thank him for yielding, because I know this evening he is going to be talking about something very important and very personal to him.

I did want to take just a moment or two to pay tribute to, as the gentleman from Texas said, a good friend of ours, a loyal employee of this House of Representatives, somebody who served this House extraordinarily well for so many years, Ron Lasch.

It was just a little over 41 years ago that Ron Lasch came to the House of Representatives as a young page. I know, because I was also here at that time as a page. I was a page over in the U.S. Senate at that time when Ron came under Mr. Whitnall's sponsorship to the House of Representatives.

Along with Don Anderson, who, of course, went on to become the Clerk of the House of Representatives, we all graduated in 1960 from the page school. Most of us went on with our lives and did other things, went away to college and began families, went into the service, but Ron Lasch, along with Don Anderson, stayed here in the House of Representatives. I mention that because he has given an extraordinarily large part of his life and his service to the House of Representatives.

For the last 16 years I have served in the House and have had an opportunity to know Ron in a different capacity, in a professional way as well in the personal way that I knew Ron Lasch. His service here I think has been absolutely extraordinary.

His leaving the House of Representatives is something in keeping, I guess, with Ron's personality, in that he left without telling any of his friends that he was going to do this. He insisted that he was determined there would be no farewells for him, at least while he was around. I guess he cannot stop us once he is gone from here.

That is why I think many of us have taken an opportunity in the last couple of days to rise, realizing that Ron Lasch is not in the back of the Chamber like in his usual position there. We miss him, so we have taken this opportunity to rise and to reflect on just how much he means to this House of Representatives.

This institution gets criticized, and I think perhaps sometimes quite justifiably, but very often the unsung heroes of this place are the staff that make it work. Some of them get on television right behind the gentleman from Texas, and they are seen every day. Others of them are in the back of the Chamber or off the Chamber. But, together, collectively, they are what makes this place work. They are what makes this place run smoothly. They are the glue which often holds it together. They are very often the institutional history of this body.

Ron Lasch, with 41 years of service in the House of Representatives, knew the precedents of the House. He knew about the ways in which this House ran. He also knew the personalities of the House of Representatives.

I think that he epitomized what is so good about this institution. He reflected the very best of this institution. Ron could be sarcastic, he could sometimes even be caustic, but he was always honest. He told Members in a way that was extraordinarily honest about what he thought, about what was going on, and his views about things.

I think that was extraordinarily important, because we got an unvarnished view of what was happening around this place from Ron Lasch. He is the person we relied on when we came to the floor to help us understand what the votes were about, what the procedures were about, about what the time frame of what we were going to be doing would be, how we could proceed when we had a question about how should we handle a parliamentary issue. He was the one who helped us understand that. He is the one who helped us get the rules right. He is the one who, when the Republicans came into the majority 6 years ago, I think made it possible for us to make that transition so much more smoothly than we might otherwise have made.

So I just want to say to my friend Ron Lasch that we are going to miss him tremendously. We thank him for the service that he has given to this country, and, most particularly, to the House of Representatives.

But I also want to thank him very personally for the friendship and what it has meant to work with him and to know him for these last 41 years. He is not gone from among us. He will continue to be that friend of mine. But I will certainly miss him in the professional capacity that he has served. I know that many of my colleagues would join in this sentiment. We wish him well. We hope to see him back on the floor of the House of Representatives from time to time.

I thank my good friend the gentleman from Texas for yielding this time to me this afternoon.

Mr. BARTON of Texas. Mr. Speaker, I want to join in the accolades for Ron. There is a phrase that a lot of us use called ''institutional memory.'' Ron Lasch is the institutional memory, at least on the Republican side, of the procedures here in the House.

I think it is well-known that I am a Congressman who lives in Texas and visits Washington, and I try to find the first plane out of town after the last vote. I used to check with TRENT LOTT when he was the minority whip and then Newt Gingrich, and now that we are in the majority I will check with Tom Delay or Dick Armey. But when I want to really know, I will go to Ron Lasch, and he always knows when we can leave.

So, in typical fashion, he has gone on leave to take his vacation. He is not officially gone yet, but we are not expecting to see him on the floor very often anymore. So I join in accolading Mr. Lasch as a friend of mine. I do not know him as well personally as the gentleman from Arizona (Mr. KOLBE), but he is certainly a good man.

THE DEVASTATION OF CANCER

Mr. Speaker, I rise this evening to talk about a terrible word, a terrible six letter word, it is one of the most frightening words in the English language, and that word is cancer, C-A-N-C-E-R.

If you have ever been in a doctor's office and had that word spoken in a personal way, or been with a loved one when that word has been spoken about their physical condition, it sends chills literally into your heart.

Cancer kills hundreds of thousands of Americans each year, and millions worldwide. In this Congress we spend billions of dollars researching cures for cancer. In this Congress in and the last Congress we passed close to a dozen bills to try to address what can be done to seek redress for the disease. It is a disease that knows no socioeconomic boundary; it knows no geographical boundary. It is literally a six letter word that chills us to the very core of our souls.

Most of us, fortunately, tend to look at cancer more academically or in a statistical sense, and we do not have to address it in a human sense. But there are times when we do. Now is one of those times.

I want to humanize cancer on a very personal basis this evening. The gentleman from Arizona (Mr. KOLBE), who was just here, informed me that his brother John Kolbe died of liver cancer last year. We have in this body the gentlewoman from Ohio (Ms. PRYCE) who lost a daughter to cancer within the last year.

We are not used to congressmen and congresswomen and senators and public officials really being looked at as real people. Most of the time the general public looks at us as some sort of a political icon or something, but we are real people and we have real families, and, for some of us, we have medical problems that border on the tragic.

I have a brother, Jon Barton. Jon is 43 years old. He is a District Judge in Fort Worth, Texas. He is married. He has two beautiful sons, Jake and Jace. Jace is about to have a birthday, July 22, a beautiful wife, Jennifer, an outstanding career in the community.

About a year-and-a-half ago Jon Barton was diagnosed as having a cancer behind his nose, the ethmoid sinus cavity. The particular kind of cancer he was diagnosed with is a very rare form of cancer called a squamous cell carcinoma.

At that time he was given little chance to live more than 6 months to a year. Obviously, he was very concerned, his family was very concerned. We were able to get him in touch with some of the leading medical experts in the United States, and, thanks to the good work of the gentleman from California (Mr. LEWIS), who is a subcommittee chairman of one of the Committee on Appropriations subcommittees, he had been able to get money invested in a special kind of proton beam accelerator at Loma Linda out in California. They had had some success in treating cancers that were inoperable.

□ 1745

Jon's cancer behind his nose, between the optic nerve and the olfactory nerve, the decision was made that it would be very difficult to surgically remove it, so they agreed to try to treat him with this proton beam radiation. Again, I cannot say enough about the gentleman from California (Mr. LEWIS) and the work he has done to provide the funding for that facility. It bears his name, the Jerry Lewis Treatment Facility. My brother went out there; and in May of last year, Jon was given a clean bill of health, that the squamous cell cancer in his ethmoid sinus was gone. We literally thought that it was a medical miracle and religious miracle that he was cancer-free.

He went back to Texas and regrew his hair, regained weight, was living a normal life, and in January of this year, January of 2000, he got to feeling a little bit under the weather and he went in to see the doctor and they took a blood sample and his liver function was off the chart.

So they did a medical biopsy of the liver and found out that he had dozens, if not hundreds, of liver cancer tumors in his liver. They performed a round of tests, and first it was indeterminate whether this was a new cancer or a metastasized version of the cancer that had been in his sinus. Finally, the doctors decided that it was a metastasized squamous cell moderated carcinoma from the ethmoid sinus, and they gave him 3 to 6 months to live in February of this year. We had gone through this the year before; and so again, Jon was in shock and his mother and his wife and myself as one of his brothers, his brother J., his sister Jan, his friends.

So Jon decided to try to seek both spiritual assistance and medical assistance. He has gone through a number of treatment options. He has been treated with at least four different kinds of chemotherapy and was in an experimental protocol that we thought might help him; but last week, his liver bilirubin level, which is a measure of the efficiency of the liver, and for you and I, a normal bilirubin count would be one, my brother's is over 20. Life cannot be sustained at that level.

So I take the floor this evening to ask my colleagues if they are aware of a treatment somewhere in their district, somewhere that there is a researcher doing research on metastasized cancers that migrate to the liver, call me and I will get in touch with my brother's doctors.

In Texas, there is a famous Texan named William Barrett Travis who was commandant of the Alamo, and he was surrounded by 6,000 to 8,000 troops under Mexican General Santa Anna. Things looked hopeless and Colonel Travis sent out a letter that is famous all over the great State of Texas that says, ''To all freedom-loving people of the world, please send aid with all dispatch.''

So I am here this evening on behalf of my brother, Jon, to ask all freedom-loving people of the world if you know of something that might yet help him, I would certainly appreciate hearing from you to see if we may yet be able to help him.

I see my good friend, the gentlewoman from North Carolina (Mrs. MYRICK), who is a cancer survivor, on the floor. Before I talk a little bit more about my brother, I would be happy to yield to her if she wishes to speak.

I yield to the gentlewoman from North Carolina to give us some words of wisdom.

Mrs. MYRICK. Mr. Speaker, first I want to say I am extremely disturbed to hear about the gentleman's brother. These are things that none of us hope we will have to face. I assume the gentleman has checked with the National Cancer Institute as to their recommendations.

Mr. BARTON of Texas. I have, Mr. Speaker.

Mrs. MYRICK. Maybe somebody does know of something that can help him, because there is a lot happening in this field.

It is really scary, because one in four of us in this country today is getting cancer. If it were anything else, it would be an epidemic. Think about it: one in four Americans today gets cancer. It is very scary, and it is at a point where I believe we in Congress need to give it a high priority. We are doing well with treatment options and finding treatment options, but we really have not done as much as I think we should when it comes to prevention and causes. Why are one in four of us coming down with this dreaded disease?

I just recently finished treatment successfully, I am thankful to say, for breast cancer. And my cancer was known. I was feeling perfectly fine, had my normal mammograms every year. Started having a pain in my right breast and I went to the doctor here, he sent me out to Bethesda. They did another mammogram, showed nothing. I went to literally five different doctors who could feel nothing. Everybody said, nothing there, it is all okay. But I knew something was wrong, so I finally got a doctor in my hometown of Charlotte to do an ultrasound. Big as life, there the tumor showed up.

Immediately, they did a biopsy; and it was cancerous, and I immediately had surgery as soon as the biopsy healed. As I say, I went through chemotherapy. As the gentleman knows from his brother, you do not wish it on anyone. I also did radiation and now I am finished with all of that. So I am very blessed. But the scary part to me is the number of women, because I went public with my story to see if it could help other women, the number of women who have said to me that they do not either get mammograms or they are afraid to find out what they might find out if they go do it. We wonder in America today why, with all of the so-called knowledge we have. There are a lot of people who are out there who are fearful, I mean really fearful, to even talk about cancer.

So I hope that by some of the things we are able to do here in Congress and by some of us who have been through this, being willing to share our stories, that we will take some of the fear out of this whole subject of what can happen to us and give people hope.

The other thing that is so important, I say to the gentleman, and I know that the gentleman will also relay it to his brother, is a positive attitude, because having a positive attitude and being determined to beat this is one of the best things that one can do personally. I know friends of mine who have been through this who have maintained a positive attitude that I am going to beat it are fine, and the ones that have just given in to it are having trouble after trouble after trouble and it does not go away, so there has to be something to do as well, and the spiritual aspect as well too.

Mr. BARTON of Texas. Mr. Speaker, my brother's attitude is such that he peps us up. It is amazing to me that here he is, because it is the liver cancer, he is very jaundiced and has difficulty moving now, and yet when we talk to him on the telephone or see him in person, he is the most upbeat person in the room. It just amazes me the faith that he has and the attitude that he can be trying to cheer others up. I will call him, and I will be mad about something we have done in the Congress or we have not done in the Congress; and he will kid with me about, am I going to come back the next day and rectify that. I mean, it is just amazing.

So the gentlewoman is exactly right, that attitude is important.

Mrs. MYRICK. Well, and faith. The Lord has been very good to me and the Lord has been good to a lot of people, and a lot of people are healed when the doctors tell them they cannot be healed. Has anybody considered a liver transplant?

Mr. BARTON of Texas. Mr. Speaker, I have offered half of my liver. I am a little bit older than my brother, but I do not smoke and drink, so I am healthy, other than a lot of air miles back and forth to Texas. The problem with that is that his liver is so far gone and it has metastasized. They did not want to do a transplant or let me donate even half my liver because the theory is that they would have to lower his immune system to take a new liver and in doing that, the cancer may be other places and it would explode.

Now, there is some tremendous research being done. Stem cells and bone marrow have shown that they can migrate to the liver and transform into new liver cells; and, of course, the liver will regenerate itself.

Mrs. MYRICK. Mr. Speaker, they are doing that with the heart also.

Mr. BARTON of Texas. Yes. I am absolutely confident within 5 to 10 years it will be possible to take my brother's own bone marrow cells and probably grow him a new liver and put his own new liver into his liver; but that may be 5 or 6 years down the road, or 10 years, and right now he is counting weeks if we are not able to help get him an option.

But we looked at transplants. We looked at Johns Hopkins, we looked at M.D. Anderson in Houston, we looked at Baylor Medical in Dallas, we looked

at University of Pittsburgh. I mean, he has checked that option as late as last week, and it just does not appear that that is in the cards. But that would certainly be an option if it were not a metastasized cancer, if it were what is called a hepatoma, which is an original cancer in the liver. I think that would have been a very viable option 3 or 4 months ago.

Mrs. MYRICK. Mr. Speaker, I know that people in this country will join myself and I know a lot of others in sending up prayers for your brother. Like I said, miracles do happen.

Mr. BARTON of Texas. That is true. That is true. My brother has told me one miracle. He had to undergo chemotherapy last year for his sinus carcinoma and he said he wanted it as strong as he could take it. So they literally took him to the verge of death with his first round of chemotherapy, and he told me and his wife and our other family members that an angel came and sat on the edge of his bed in the hospital and was talking to him and telling him that things would be fine and that he did not have to worry about his wife or his children. It just gave Jon a sense of peace that the Lord was with him and had sent an angel down. Of course, at that time, he came back.

So I know that there is an angel that has been assigned to him. Of course, we are hoping that the angel does not have to come again real soon, that we want the angel to keep an eye on my little brother, Jon, but not take him from us yet.

Mrs. MYRICK. Mr. Speaker, that is a real blessing.

Mr. BARTON of Texas. Yes.

I would like to just humanize Jon a little bit, tell a few stories about his background. I have already mentioned that he is 43 years old, married, has two lovely children, two sons. But Jon is not perfect.

I remember the first week he got his driver's license and he was 16 in Waco, Texas, and my parents had one good car and one kind of second car, and so Jon got to drive the second car. It was a Ford Fairlane. The first week he got his driver's license he was driving down 25th street in Waco, and at that time there was a movie theater called the 25th Street Theater; and the young lady who was in the ticket box, the box office, was a friend of his from high school, and Jon drove by, and trying to do some fancy maneuver with the car and wave at her, he hit three cars and totaled two of them and drove a car up into the front entrance of the local newspaper.

I happened to be a senior in college at the time and was home with some of my old high school football buddies; and when he called home, he did not ask for my father, he asked for me. He said, JOE, you are going to have to come down and help me out a little bit. So my buddies and I, we got in the car and they all knew him as ''Little Joe,'' because when we were in high school, Jon was not more than 4½ feet tall, so he had grown up by the time I got to college.

□ 1800

We went down to see him and he was standing outside, looking at the car and not too knowing what to do.

After we got through laughing about it, we said, Well, Jon, you are going to have to call Dad. There is no way to get around it. So he did, and of course my father came down and he was not too happy about it. He did not laugh a bit.

One of my memories of my little brother in high school was standing there looking so forlorn, with the girl he was trying to impress in the box office at the movie theater laughing, and all of my friends laughing, and my father just absolutely chewing his tail out for having this happen: the first time he had his driver's license, or in fact the first time he had his driver's license and drove by himself, totalling two cars and sending another car into the front office of the local newspaper, which obviously the next day ran a very uncomplimentary story about Larry Barton's youngest son.

I can also remember in 1984 when I decided to run for Congress, now today we read routinely about million dollar campaigns and all these high-priced consultants and TV ads, but in the Sixth District of Texas in 1984 in the Republican primary there was not any of that. It was an absolutely family-oriented grass roots campaign.

By then Jon was an attorney who was living down in Corpus Christi, Texas. I convinced him to come to Ennis and help run my campaign. So he went from a beachfront apartment in Corpus Christi, Texas, down on the Gulf Coast, where there were sea breezes and just a really nice lifestyle, to sleeping on a cot in the kitchen of my home. My mother-in-law and father-in-law slept on a pallet out in the garage. My campaign driver slept on the couch. My sister slept in one room, a bedroom, with my oldest daughter, Alison. Jan and I slept in what was called the master bedroom, which meant it had an extra foot of space, with Kristin, our youngest daughter, in the crib.

Jon would routinely be woken up in the morning by my 2-year-old Kristin looking into his eyes tickling him. We offered him a great salary I think of $600 a month, but what that really meant was when he had a car note come due or a college loan payment come due my sister Jan, who was a campaign Treasurer, would say, you bring me the bill and I will pay the bill. And he did an outstanding job in that campaign.

I got into a runoff, and in the runoff I lost the runoff by I want to say 9 votes out of about 10,000 votes cast. To seek a recount you had to file a legal document in every county court, and there were 14 counties. So my brother, who was the only attorney on the payroll of the campaign, had to file those documents. He prepared the legal briefs. Within 3 days he went to all 14 county courthouses in the Sixth District of Texas and filed the legal paperwork to request a hand count recount of every ballot that had been counted, had been cast in the primary runoff.

In that runoff he coordinated some pro bono attorneys who represented me at each recount, and we went from losing the election by 9 votes to winning the election by 10 votes. To this day, I think if it had not been for my little brother, that might not have happened.

I can also remember when he came to see me about 4 years ago. By now he was married and had two children and was practicing law in Fort Worth, Texas. He said, JOE, I have decided that I wanted to run for office. I said, ''Jon, have you not seen enough of me and what I have done to convince you that there are better ways to make a living than trying to get elected?''

And he said, ''Yes, I have, but I do not want to run for Congress, I want to run for district judge.'' The county he was living in is the fourth largest county in Texas, so that meant that he had to run countywide in a county that has 1 million people.

I said, ''Jon, how much money do you have to run for office?'' He said, ''I don't have any money.'' I said, ''Okay, what kind of an organization do you have?'' He said, ''I don't have any organization.'' I said, ''Okay. Have you done something notable in the county in a public way that your name is on the lips of all the voters?'' He said, ''I have not done that.''

I said, ''Well, why do you think you can win a district judgeship in Tarrant County, Texas? He said, ''Well, if you can run for Congress and win, I know I can run for district judge and win.''

I did not have an answer to that, so I said, Okay. So when he announced for district judge, he announced in a seat for a position for a courtship that he did not think he would have any opposition in. I felt pretty confident that he would win an uncontested election, but that did not work out. One of the biggest law firms in Fort Worth decide that they had an attorney that they wanted to run for that same position, so an excellent attorney in Fort Worth who had an excellent reputation, was well known in the legal community, had impeccable credentials, decided to run against Jon.

Of course, when that was announced we were not real happy about that. But to make a long story short, just like in my campaign in 1984 for Congress where my mother and my father and my brother and my sister and my grandmother, my aunt and uncle, all

the Barton family and the Bice family and the Winslow family were out campaigning. Those same family Members trekked up to Tarrant County, Texas, and we got on the telephones and we stood in front of the polling places and we handed out cards and we did all the grass roots things, and again, Jon was outspent, but when the dust had cleared, he won county-wide. He got the largest number of votes for any county-wide office on the ballot, and he almost got more votes than I did. That kind of upset me a little bit.

But he has gone on to do an outstanding job. In fact, he has done such an outstanding job that this year he is up for reelection and he has no opponent. When I go to Tarrant County, which is about half of my congressional district, more and more now I am introduced as Judge Barton's brother, which is a real tribute to him.

I really rise this evening to again appeal to all my colleagues and to anybody who may be watching in the country, if anyone knows of something that could help a metastasized cancer of the liver, please get in touch with my office so we can refer that to my brother's doctors.

Jon is one of the many cancer statistics. Liver cancer kills 14,000 people in the United States each year. It is a very, very difficult disease to arrest once it has progressed. In my brother's case, it is serious, but there is still some small hope.

Just like the gentlewoman from North Carolina (Mrs. MYRICK), there are many miracles that have occurred in cancer. The Barton family is hoping for one more.

Mr. Speaker, I again want to commend the Speaker for allowing me to do this special order, I want to thank my colleagues for listening, and simply hope that we may yet find one miracle for Jon Barton in Fort Worth, Texas.

FAIR ELECTIONS IN MEXICO

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

Mr. DREIER. Mr. Speaker, I have taken this 5-minute special order this evening to talk about an event which has been likened to the crumbling of the Berlin Wall that took place a week ago this past Sunday.

I had the privilege of serving with a team from the International Republican Institute, co-leading, along with former Secretary of State James Baker and the mayor of San Diego, California, Susan Golding, a delegation of 44 people, very qualified, former ambassadors and other leaders in this country, observing the election that took place in Mexico on Sunday, July 2.

It was an extraordinary experience. I will say that because there were many people who assumed that after 71 years of one-party control by the Institutional Revolutionary Party that the election would once again see the PRI Party, the Institutional Revolutionary Party, prevail and win.

It is no secret that there have been problems with past elections in Mexico. In fact, corruption has been reported very, very widely in past elections. But I am happy to say, having observed what are known as Casias, election voting spots in urban areas in Mexico City, as well as moving into the rural areas, that this was an extraordinarily fair election.

In fact, an organization that was established earlier in the last decade known as the Federal Electoral Institute, the IFE, was a structure which did play a big role in ensuring the fairness of the election.

This also is a great testimonial to a couple of things. One of the individuals is the present president of Mexico, President Ernesto Zedillo, with whom Secretary Baker and Mayor Golding and I met on Saturday morning, the day before the election. In that meeting I conveyed to him what I will share with our colleagues here, and that is the fact that when he was elected president in 1995, having observed the tremendous economic reforms which had taken place in Mexico, he said that his goal was to ensure self-determination and free and fair elections for the people of Mexico.

That is exactly what happened on July 2. I want to extend my very hearty congratulations, as I already have, to president-elect Vicente Fox, who is a representative of the National Action Party, the PAN party, which for years has argued for economic policies which we hold near and dear, and which I am happy to say were embraced in large part by the Institutional Revolutionary Party.

The embrace of those economic policies by the National Action Party played a big role in bringing about free and fair elections. Let me explain that, Mr. Speaker. Back in 1988 when President Carlos Salinas was elected, he made a decision that he was going to pursue broad economic liberalization in Mexico.

What did that consist of? It consisted of privatization, decentralization, closing down State-run enterprises. He took the very bold step in Mexico City of closing down the largest oil refinery because of environmental concerns that existed there.

We saw the economic reforms put into place in the latter part of the 1980s and the early part of the 1990s, and one of the greatest examples of those economic reforms came when we here in this Congress and the Bush and Clinton administrations put together the North American Free Trade Agreement.

Now, we know that the North American Free Trade Agreement is a much maligned entity, a structure which people criticize often. But I happen to believe that the NAFTA has been a resounding success, and the most recent example of its success was what took place on July 2.

Why? Because as I and many of my colleagues have argued time and time again, whether it is in Mexico or the People's Republic of China, or South Korea or Taiwan or Argentina or Chile, the interdependence of economic and political freedom is key. We saw in the early part of the 1990s major economic reforms take place in Mexico, and we saw on July 2, a week ago this past Sunday, the ultimate in political reform.

I have to say that during those years of economic reform we also saw political reform take place in that for the first time we saw the election of opposition party candidates in local elections, mayors. Fifteen of the 16 largest cities in Mexico have opposition party mayors. We have also seen it in gubernatorial elections.

Mr. Speaker, I believe that we have a tremendous, tremendous opportunity to encourage this transition. We have to be very vigilant. We need to strengthen the already strong relationship that exists with Mexico.

I would like to congratulate all of the nearly 800 people who were on the International Observer team, the International Republican Institute, which again put together a very, very strong operation, and the people of Mexico. They were so enthused about the prospect of being able to vote and have their votes count.

I will never forget the 18-year-old girl whom I saw in a little tiny town called Metapec, above Atlisco. She said her family for years had worked on behalf of the PAN party, and finally, as we stood over the counting at this little casia and saw 210 votes cast for Mr. Fox and 106 votes for the PRI candidate, Mr. Labastida, we saw by a two to one margin the election of a new party and a new president.

So I wish the people of Mexico extraordinarily well, and I wish the leadership that we have here in the United States God speed in our attempt to do everything that we can to help in this very important transition as we face the many serious challenges that exist on the border and in the relationship between our two important countries.

□ 1815

ILLEGAL NARCOTICS AND OUR NATIONAL DRUG POLICY

The SPEAKER pro tempore (Mr. SIMPSON). Under the Speaker's announced policy of January 6, 1999, the gentleman from Florida (Mr. MICA) is recognized for 60 minutes.

Mr. MICA. Mr. Speaker, usually on Tuesday I come as chairman of the

Subcommittee on Criminal Justice, Drug Policy and Human Resources to talk about the subject of illegal narcotics and our national drug policy.

Tonight is Thursday night. Most of the Members are heading back to their districts; but I have an opportunity to continue sort of, as Paul Harvey says, tell the rest of the story that I left off on on Tuesday, this past Tuesday night and also to kind of update the Congress, my colleagues, and the American people on some of the threats that we face as a Nation from illegal narcotics.

Tonight, I have a little bit different focus, but I am going to try to highlight some of the failures of this presidency and this administration. I have done that before. I do not mean to be critical other than deal with the facts of the situation and deal with the legacy of this administration as it relates to illegal narcotics and the problem with our society.

In just a few minutes, Americans across the country will turn on their nightly news and see, I am sure, clips, Mr. Speaker, of today's talk by the President before the NAACP in Baltimore. Tonight, the American people will hear his speech. I have got a copy of his speech. What is incredible about his speech is what is left out.

Once again, the President, who has only talked about a war on drugs, and I think I have the exact figures, eight times mentioned the war on drugs in 7 years, according to the Nexus research that we conducted on the number of times the President had talked about a war on drugs.

But if one takes the President's speech from today before the NAACP, he does not talk about the war on drugs. The President paints a rosy picture and, again, a copy of the speech that was given to me says ''Today we are releasing an annual report on the status of our children. According to the study, the teen birth rate for 15- to 17-year-olds has dropped to the lowest. The birth rate for African-American adolescents has also dropped.''

The President talks about everything but one of the most impacting problems that has faced our minority community. What the President is not going to tell the NAACP or recite to the American people are the statistics that have been given to our Subcommittee on Criminal Justice, Drug Policy and Human Resources.

The President will not tell us that according to the national household survey on drug abuse, drug use increased some 41 percent from the beginning of his administration in 1993 to 1998 among young African Americans, an astounding increase.

According to that household survey on drugs, also, another minority population that has been dramatically impacted is the Hispanic minority population with young Hispanics experiencing an increase from 1993 to 1998 of 38 percent. These are facts that should startle every minority parent in this country and were left out of the President's address today in Baltimore.

It is incredible that the NAACP would meet in Baltimore and that the President would speak to them in Baltimore, because I always use Baltimore as the prime example of a failed policy relating to illegal narcotics. That failed policy is the direct result of the mayor that was elected there.

I took from a 1996 book by Dan Baum, Smoke and Mirrors, that he is very critical on the war on drugs, and he is very laudatory towards those that promote legalization. In 1998, Kurt Schmoke was the candidate and was elected despite his liberalization policy. This is from that book written in 1996. It says, ''Kurt Schmoke, however, dodged the bullet.'' In other words, he got elected. ''Written off politically in 1988 for suggesting the legalization of drugs, Mayor Schmoke approached his first election campaign in 1991 with trepidation. But every time one of his opponents, either in the primary or general election, tried to blast him as the legalizer, the shot went wild, and it never became an issue having won office in 1987 with 51 percent of the vote,'' and he calls him this, ''Legalizer Schmoke won reelection with 58 percent.'' This is touting electing a mayor who has a liberalization policy, a nonenforcement policy of illegal narcotics.

The President met in Baltimore today and spoke before the NAACP. These are not my words, a Republican majority Member of the Congress. This is a report from Time Magazine, and I will read it verbatim, from September 6, 1999. The legacy of the mayor that adopted this policy favorable towards narcotics. Let me read.

''Maryland's largest city seems to have more razor wire and abandoned buildings than Kosovo. Meanwhile, the prevalence of open air drug dealing has made no loitering signs as common as stop signs. Baltimore, which has a population of 630,000 has sunk under the depressing triple crown of urban degradation. Middle-income residents are fleeing at a rate of 1,000 a month. The murder rate has been more than three times as high as New York City's, and 1 in 10 citizens is a drug addict.''

''Government officials dispute the last claim.'' I am reading from this article in Time. ''It is more like one in eight, says veteran City Councilwoman Rikki Spector. And we have probably lost count.''

This is the legacy of a failed policy. The President did not talk about that in Baltimore today. What is sad is that nearly two-thirds of the population of Baltimore is minority and African American, the victims of what has taken place.

Let me also read a little bit about what this article says. I do not want to again give my opinion at this point, but let me state what was in the Time Magazine. ''How did Baltimore get here? Smokestack economy that was the lifeblood of the city for decades has died and drained its money and its soul. In 1940, half of Baltimore's population lived and more importantly worked in Baltimore. Today only 15 percent live there.'' My colleagues just heard the statistics of the flight.

''Meanwhile, increasing incompetent political factions have elbowed each other for State handouts. The reign of current Mayor Kurt Schmoke, an Ivy League educated African American, was supposed to restore the power of the mayor's job and the health of the city. And Schmoke has spent his 12 years ineffectively lording over an increasing mess.''

This is where the President and the NAACP met today. This is what the policy, again a liberalized policy, of legalization, nonenforcement, has led to. Repeatedly, deaths, over 300. When one stops and thinks of this, this is Baltimore, a population, and we see the population went from nearly a million to 675,000.

What is absolutely incredible is the number of addicts, and this is 1996. The addicts were 39,000, a part again of this policy. They have gone from 39,000. If we take the figures one in every eight, according to the City Councilperson, we are looking at somewhere in the neighborhood of 80,000 heroin and drug addicts in Baltimore.

The President of the United States, when he spoke in Baltimore, did not tell us about the legacy of this community. What is interesting is the policy of Mayor Schmoke is the policy that the Clinton administration has attempted to adopt on a national scale. That is why we see a prevalence of illegal narcotics coming into the country. Non or lack of enforcement. Do not stop the drugs at their source. Do not go after the dealers.

My colleagues think that possibly I am making some partisan statement. This is the record of the Clinton administration on individual defendants prosecuted in Federal courts. Drug prosecutions, 1992 to 1996, they went from 29,000 to 26,000. Instead of tougher enforcement, the President and the Attorney General and the Department of Justice under their leadership went to fewer prosecutions. So we have hounded the administration since 1996 to increase prosecutions, and they are starting to edge up.

Now, my colleagues possibly could not believe this, but they have managed to also divert the intent of Congress, and they have managed to bring sentencing down. So first they tried this nonprosecution. Now they are trying to blame us by not being tough on sentencing. So first they were making a joke out of prosecution for these offenses; now the sentences are down. Convictions also are a concern, the

convictions. We also see the same trend down.

Now, my colleagues might say, well, the tough zero tolerance policy does not work. There could be nothing further than the truth. The President cited figures today in Baltimore before the NAACP. But he did not tell us that those figures are impacted by jurisdictions with tough prosecutions.

The murder rate in New York City was averaging 2,000 murders in New York a year when Rudy Guliani took office and instituted a zero tolerance policy in that city. He got tough on narcotics arrests. This chart so dramatically shows that, as one increased the arrests for narcotics, one decreased the crimes. The murder rate dropped 58 percent in New York City.

Again, this is Baltimore. Baltimore, the deaths continue over 300. In New York City, we had in the mid-600 range number of murders in the last 2 years down from 2,000, a 58 percent decrease.

This is the liberal policy again that the President did not talk about, but the policy of tolerance, a policy of not going after criminals who are dealing in death and destruction. We see what they have done, not by my words, but by the words of the media to a great and historic city.

□ 1830

This is interesting also. We conducted a hearing in Baltimore about a month ago, after Mayor Schmoke, thank God, left office and a new mayor, Mayor O'Malley, was elected. We went into the community and the Subcommittee on Criminal Justice, Drug Policy and Human Resources conducted a hearing there; I believe it was on a Monday. The mayor came and testified, and I thanked him for that. He heard the police chief testify that he was going to make a lame effort at going after open-air drug markets. There was also testimony at that hearing that the police chief and others in the administration had made a decision not to participate with the high intensity drug traffic effort in cooperation with the Feds and other agencies.

Thank goodness when the Mayor heard this, he dismissed that police chief, and he has appointed a new chief who has adopted a zero tolerance in that city. That is the bright spot. But, again, the President did not talk today about the death and destruction. These deaths and this destruction, the 312 in 1997, 312 in 1998, and 308 in 1999, they all have faces on them. These are wonderful human beings that God created and this only shows the tragedy of death.

Imagine what it is like to have a population of a city like Baltimore with one in eight, according to the city council person, not me, or even one in 10 if we want to use that statistic, are drug addicted. A young person drug addicted, a father or a mother, a wage earner. Imagine the toll. Imagine transposing this policy on the United States of America. Fortunately, it is limited to a jurisdiction like Baltimore.

Others jurisdictions, like Rudy Giuliani in New York and others who have adopted a zero tolerance policy are in fact making great progress. And the progress that the President spoke about today is due to some of those efforts. In fact, it is so dramatic, these statistics for New York and some of the other zero tolerance and tough enforcement policies are so dramatic, the effect of them, that they are affecting our national statistics.

The Baltimore Police Department estimates that 95 percent of the street gangs in Baltimore are dealing in drug trafficking, specifically heroin and cocaine. Former Mayor Schmoke's nonenforcement policy led to, in 1996, Baltimore's leading the Nation in drug-related emergency emissions, which grew to 785 per 100,000 population. Of 20 cities analyzed by NIDA, which is our National Institute of Drug Administration, the city of Baltimore ranked second in heroin emergency admissions, and Baltimore accounted for 63 percent of all of Maryland's drug overdoses.

This is again the legacy that the President of the United States did not want to talk about, but the NAACP heard other statistics today, even touting the progress that we have made, and much of it under, again, zero tolerance efforts around the country. Even with decreasing crime since 1960, total crimes have increased by more than 300 percent. Since 1960, violent crimes have increased by more than 550 percent. Ninety-nine percent of Americans will be the victims of a theft at least once in their lives.

What is interesting, when we talk to the law enforcement people, whether they are in Baltimore, Orlando, or in New York, they tell us that 70 or 80 percent of the crimes committed are drug related; people who are stealing and maiming and killing because they are on illegal narcotics or trying to gain resources to obtain illegal drugs. The violent crime rate in the United States is worse than any other industrialized country, and we can again trace it back to drug abuse.

Never in the President's speech today did he talk about the effect of illegal narcotics before the NAACP and the minority population of our country, which, unfortunately, is the most victimized, victimized in death, victimized in social destruction, victimized in every way imaginable, in the criminal justice system unfairly victimized.

And we will hear people say, well, we just need to treat folks and we need to spend more money on treatment, and I will talk about that in just a few minutes; but treating only the wounded in battle is never the answer if you are in battle and really waging an aggressive fight.

Teenagers are more than twice as likely to be the victims of violent crimes as all adults combined. And fewer than 10 percent of all criminals commit about two-thirds of the crime.

Again, I show the statistics of this administration and their record for prosecution as it dropped. And then we got them to go after prosecution from 1996 on, when we took the majority and put pressure on them. Now they are dropping sentencing, the amount of time that these hardened criminals are facing behind bars. I submit, my colleagues, that the wrong Americans are behind bars. It is the parents and the citizens of Baltimore. It is the wonderful citizens of Washington, D.C.

Our Nation's capital is another example of a horrible situation ignored for 40 years under the control of the other party, where I would come to Washington week after week, and every week read of death and destruction, and almost all of it drug related. Fortunately, this Republican administration in the Congress brought some balance to the District of Columbia. We literally had to seize the District and put a control board in charge of the District.

But when we inherited the District of Columbia, stop and think of what this majority inherited. It is just like what they did to the country as a whole. This District of Columbia was running three-quarters of a billion dollars a year in deficit, and we have just about balanced that. Of course, we did have to put in a board of control and, unfortunately, had to deny some temporary constraints on home rule. But we inherited a horrible situation. Again, the President of the United States did not talk about what 40 years of Democrat administration did to the people of Baltimore or Washington, D.C., our Nation's capital.

I always save some of these articles about again what took place, and I do not want to divert too much from the narcotics issue, but I cannot resist mentioning for the benefit of my colleagues the policy that really almost destroyed our Nation's capital and national treasure. Here are a few of these articles. The trauma care center, when we took over the Congress in D.C., in grave danger. It was basically nonfunctional. The housing authority was bankrupt when the Republican majority took over. The job training program in 1 year spent $20 million and did not train one person in our Nation's capital. This is what the new majority inherited.

I will never forget the articles in the paper about the morgue and the air conditioning having broken down and bodies were stacked up because the District, under the Democrat control, had allowed the District to operate in an unmanageable fashion. What happened was they could not even pay to have the indigents buried in the city,

and they were stacked like cord wood in the morgue, and the morgue had no air-conditioning.

The City's water system was failing. We had to give it over. Basically 40 years of administration and misadministration led to this. And the stories go on and on. They are unbelievable; and I know people, unless I brought the actual articles, people would think I would be making them up.

The foster care system wears out employees. This is a lady who said as she was quitting because this is worse than Guam, she worked in Guam, what they did in the District of Columbia. Again, primarily a majority of African Americans. But the President did not talk about this in his chat before the NAACP, what they did. But he did take credit for, I think, some of the changes that we have made. And how sad for the neediest of the needy.

Even in public housing an article from the Washington Post. Let me read it. It says the Department of Public and Assisted Housing, which has had 10 directors in the last decade, suggested that it was rife with corruption, mismanagement and waste. And this is, again, what we inherited but what the President did not talk about in Baltimore today. And affecting who? The minority population. And the weakest link in the minority population, those without housing; those subjected to social services. And the list, again, goes on and on.

I think in the last 4 years, as good stewards, the new majority has turned some of that around. But the President would not talk about that, just took credit for statistics and used them to his advantage.

Unfortunately, the legacy of this administration goes beyond Baltimore; it goes beyond Washington, our Nation's capital. Again, I have said this before, it is not rocket science. We know where these drugs are coming from. We have done everything; I have done everything I can do since I came to Congress, since I was involved in the effort back in the Reagan administration, back in the early 1980s when I helped to develop the drug certification law and worked on some of the Andean strategies and other things to stop drugs cost effectively at the source. But we have watched this administration dismantle those cost effective programs.

Again, we know exactly where the illegal drugs are coming from. Right now we know that 70 to 80 percent of the cocaine and heroin is coming out of Colombia. Now, how in heaven's name could we get that percentage of cocaine coming out of Colombia? And I want to say it was not easy. This is not a guessing game, either. The DEA has what is called the DEA Signature program.

The DEA provided our subcommittee with these pie charts. This is the most recent, 1998. This shows us exactly where heroin is coming from. This shows us that heroin is coming, 65 percent of it, from South America; 17 percent from Mexico. Actually, up some 20 percent in 1 year from Mexico. They know this because when they seize the heroin, it is tested; and it is almost a DNA process where they can tell almost from what fields it came from. This is all Colombian. The red here is all Colombian.

In 1992–1993 there was almost zero heroin coming from Colombia. But this administration, through an incredible series of direct policies and failures, has managed to make Colombia the center of 70 to 80 percent of cocaine coming into the United States, and another 65 to 70 percent, depending on which year, and we do not have 1999, of heroin coming into the United States. We know that.

There was almost no cocaine, coca, produced in Colombia in 1992 at the beginning of this administration, but they have managed to make it a producer. Now, how could they make it a producer? This chart shows, and again these are statistics provided even by the administration, but they show Federal drug spending on the international, that would be stopping drugs at their source, this shows in the end of the Bush administration, and then we had a Democrat-controlled White House and Senate, that they immediately gutted the international programs. That meant that the source country programs were cut dramatically.

We see here the international programs since the Republicans took control in 1996, and it takes about an extra year because the budget we do is in advance, but we can see that we are getting back to the 1991–1992 levels right now in 1999–2000.

□ 1845

But they gutted the programs. When the Republicans took control, that is as far as source is concerned, and then the next thing that is cost effective in getting drugs, once they get to the streets, it is a que pasa activity for our law enforcement. It is very tough. But it is tough and it is costly and you have to have incredible expenditures for police force.

So the second most cost effective thing is to stop drugs as they are coming from where they are being produced, cocaine and heroin, for example, and here we look at interdiction. Interdiction. And there is no real extra cost for the military. There may be some extra flight hours and things of that sort but you already have the hardware, you have the planes, you have the military engaged and you have the military conducting exercises. The military does not do any enforcement, they just provide surveillance information and then the information is given to the country where the drugs are produced.

This administration did not think that was a good idea, so they stopped information sharing, they stopped information sharing, they stopped resources getting to Colombia. Those actions have very direct results. I remember in hearings in 1993, 1994 and before the House of Representatives, saying to not stop the information sharing to the countries. In fact, many of the countries involved would shoot down the drug traffickers and go after them. But again this administration said, ''We can't do that.'' Heaven forbid we should go after a drug trafficker or provide any information. In fact they even got an attorney who had been in the Department of Justice and transferred I believe over to DOD to give that opinion and the entire Congress had to act to overturn that opinion that we could not share information.

They are at the same game again. U.S. Officials Cite Trend in Colombia. Lack of Air Support Hindering Drug War. The same thing is happening again and this is in fact confirmed by the administration's ambassador from Peru. The administration's ambassador from Peru chided the administration and I received the report, it says Drug Control, DOD Contributes to Reducing the Illegal Drug Supply. Their assets have declined. I requested this report independently conducted by GAO provided to me the end of last year, the beginning of this year. GAO found that according to the U.S. ambassador appointed by this administration, warned in an October letter to the Department of State that the reduction in air support could have a serious impact on the price of coca. The President did not tell you today that he is directly responsible for the policy that cut interdiction, that cut source countries and that cut off Colombia from receiving assistance and turned Colombia into a disaster, into an international basket case. This is exactly what happened.

Having been involved when the new majority took over the House and the other body, we began 4 years ago trying to put Humpty Dumpty back together again, the strategy that worked so well in the 1980s and they will tell you the drug war is a failure and I will disprove that in just a moment. But we went down. Mr. HASTERT, the former chair with responsibility of this subcommittee for drug policy, went down with Mr. Zeliff who was also involved, and I was on the subcommittee as a junior member. We talked to the officials in Peru and Bolivia. We got their cooperation and we gave them a tiny bit of financial assistance from the Congress. Look what happened to Andean cocaine production, down 60 percent in Peru, 55 percent in Bolivia. Look what happened with the administration's policy towards Colombia. Stop helicopters, stop information sharing, stop resources, stop any assistance. Dramatic increase. I told you

about heroin. This is cocaine. There was no heroin produced at the beginning of this administration. You can see almost no cocaine. This is a policy of failure and destruction.

I can trace the cocaine on the streets of Washington, D.C. and New York back to Colombia. I can trace the heroin back to Colombia. And I can trace it back to this policy, this policy, and even when the Congress, even when we as a new majority funded assistance to increase again interdiction of drugs, which is our national responsibility. I mean, we are not police men and women and we do not provide that service. That is done mostly by local and State. We do have some Federal agencies. But we cannot do that. What we can do is stop the illegal narcotics before they come into our borders. In fact, this report provided to me also says the number of flight hours dedicated to detecting and monitoring illicit drug shipments declined from approximately 46,000 to 15,000. It declined 68 percent from 1992 to 1999. So even when we were ramping up, attempting to ramp up to get funds to go after the drug dealers, this report also shows that the administration diverted assets.

We had AWACS that actually gave information on the growth in traffickers, AWACS planes. The Vice President when he spoke to the NAACP did not tell you that he diverted those planes to Kosovo. I am sorry, actually he was personally, I understand, responsible for diverting the planes to Alaska to look at oil spills while the children of Baltimore are dying by the dozens, while the children in our Nation's capital were getting slaughtered. And the diversion of assets went on and on. Money that we had asked to go down to Colombia and South America, tens of millions ended up in Haiti in failed nation-building attempts which now have turned into an even bigger disaster with one corrupt government succeeding another, and now Haiti, the latest reports we have, is a major transit area for illegal narcotics. Most of the administration's efforts in nation-building went into building the legislative and judicial and enforcement structure and it has turned, with the millions and millions of taxpayer dollars, billions, into the biggest transit zone.

The situation only gets worse. This is something the President did not talk about today in his report. He did not tell you that he diverted two AWACs airborne control systems aircraft that were on the counternarcotics mission that were stopping the death and destruction, 15,973, remember that, our latest figures on deaths as a direct result of illegal narcotics, drugs in this country in 1998. But he committed two of the AWACS to reassign them in January of 1999 to support the Iraq no-fly zone. Then in April 1999 for the Kosovo crisis. If you wonder why our cities, our communities, our young people are being deluged with illegal narcotics, you can just look at the administration's record.

This report also shows in addition to air flights down dramatically, some 68 percent, that also maritime efforts, U.S. maritime efforts to go after suspected maritime illegal drug shipments declined 62 percent under this administration. So if you wonder why our children are getting drugs cheaper, more available, addicted to them and dying in unprecedented numbers across the land, it is no wonder.

Again, it is not just Baltimore or it is not just the Nation's capital that is affected by this. Here is a report just a few days ago by ABC News, July 10. It says less than 2 percent of young people age 12 to 17 have ever tried heroin. Incidentally, I think it is a 92 percent increase during this administration in use of heroin among that youth class, another legacy of this administration. This report says, but the drug now is cheaper, more accessible and more potent. How did it get more available? When you close down a war on drugs and you only concentrate on treating the wounded, you can see where that incredible supply is coming into the country. It says it is more accessible and more potent and is fast surpassing cocaine as the drug of choice in many communities. It says Portland and Seattle, heroin has reached unprecedented levels in some cities like Portland, Oregon and Seattle where the number of fatal overdoses has continued to climb year after year in the last decade. This is a startling figure.

In 1999, Portland experienced the highest number of heroin-related deaths, overdose deaths, 114. I come from Central Florida. We have exceeded our past year which was a disaster of heroin-induced deaths. The cocaine legacy strikes every family. Everyone in the whole country I know was grieving with Dr. J, actually his son, Dr. J is a resident of my district and we watched as the family looked for his son and his son unfortunately had been victimized by cocaine and in today's paper we have a report that test finds cocaine in the teen's body. We do not know if that is a direct result yet of his tragic death but we know the horror that that family experienced. We know the grief that that family experienced. We know the torment that that young man went through and how a national hero, a legend and his family have been so affected and our heart goes out to them. But unfortunately every family in America today is affected by illegal narcotics. We see the statistics over and over.

This administration adopted a policy to keep helicopters, to keep surveillance information, to keep any kind of assistance going to Colombia until just last year. And suddenly they woke up and found, and I think it is reported they also did a survey and found people were absolutely appalled at what was going on, but last year the drug czar declared this an emergency. This Republican Congress acted immediately. The White House and the President did not submit a Colombia aid package until the 7th of February, 2000. He waited and waited and dillied and dallied. On March 30, this House of Representatives passed a supplemental and just a few days ago both the House and Senate acted and passed a supplemental containing the aid to put the rest of this picture back together. It will work. We know it works. It has worked. It has other elements in it other than interdiction and source country, a good package. Instead of talking about this today or taking that bill and signing it before the NAACP and saying, ''I'm going to stop the killing of your children,'' the President as far as I know today has not signed the bill. It is awaiting his signature and it is my hope that that will be signed if it has not been signed, again to correct the situation. It is unfortunate we have to spend over $1 billion now to deal with the disaster that has been created.

□ 1900

Let me talk about the emphasis of this administration. You hear it on the floor repeatedly. During the Colombia debate, they just said we have to have treatment on demand. We have many people who need treatment.

I support treatment. I would vote for any amount of treatment for anyone addicted to narcotics. But when you get to the point of addiction, it is very difficult to save anyone. This is not like cigarettes, it is not like alcohol. When you are addicted to some of these hard drugs, you completely become victimized by it, and we do not have any cure. Sixty or 70 percent of those who go into public treatment programs are failures, and repeated failures, over and over again.

You hear that we have been putting money in the war on drugs or the war on drugs is a failure, fighting drugs, and they should be legalized. This is in fact the record. We have more than doubled the amount from 1992, when this administration changed the policy, closed down the source country, stopping drugs at their source, the interdiction, we have more than doubled the amount going in. I have records of treatment and research, drug prevention, all of the different categories, demand reduction. Almost all of them doubled. So while they were cutting the source programs and the interdiction and other programs, they in fact, and we were, even the Republicans since 1995 have increased treatment some 26 percent. So it is a fallacy to say that we have not put money in treatment.

The problem we have, and I chair the subcommittee, is we do not know what will work. We have programs. The programs actually that are most successful are the non-government. They run 50, 60 percent success rates. Most of them are faith-based, and we are trying to see if we can support them in some way, given the restrictions that we have, mixing public money with religious funds.

So it is a fallacy to say we are not putting money in treatment. Again, I know this makes the other side of the aisle cringe, and this is not a chart that the President brought to Baltimore to show the NAACP, this is not the chart that those will tell you that the war on drugs is a failure.

Now, this is a failure, that you have a decline in drug use during the Reagan and Bush administration? This is the chart that shows the long-term trend and lifetime prevalence of cocaine use. We have it for drug use. Let us get this overall. That is just cocaine. This is overall. They will tell you again this is a failure, that it was declining here. That is a failure. If you have fewer young people using drugs, that is a failure. Get that now, it is a failure. But this is a success, the Clinton Administration policy.

I wish I had an overlay to show where they closed down the source country, they closed down the interdiction, they cut the Coast Guard, they cut the military involvement, they cut the Drug Czar's staffing in this period.

This is the direct result, an increase. It is almost ironic that you see this little bleep here, and that is where we took control and started our efforts. There is some slight leveling off, but that is, unfortunately, not totally successful, because, again, one of the major conduits of illegal narcotics, hard narcotics, heroin, high purity cocaine, is Colombia, which has now become the major producer.

This is also the heroin record under the Clinton and Bush and Reagan administrations.

The statistics during that administration are quite interesting. Based on national household survey data, illicit drug use, and that is the same survey that I cited with current statistics and it is nice to compare, to use comparative studies, the same studies over comparative times, based on national household survey data, elicit drug use declined 50 percent from 1985 to 1992.

Now, that is a failure, you see? This is a failure, because it declined. You had a President who, under President Reagan, he had a tough Andean strategy, a source zone strategy, an interdiction strategy. You had a President, President Bush, the reason they went after Noriega is because he was involved in drugs and illegal profits from drugs and he sent our troops in.

The opposite is the case with the retreat of the Clinton Administration, and you see the direct results. Again, if we could do an overlay, we would show as they cut these programs out, in 1992 you see again a trend, an increase in drug use, and this is for all. This is lifetime, annual and 30 day measurements.

Again you see a leveling off, where we began our efforts, where we passed an extensive drug education and prevention program, one of the most extensive in history. We differed with the administration. We thought that broadcasters should increase and donate their time. The administration wanted to spend taxpayer money. We felt it was so important that we did reach a compromise, so we have a $1 billion program over 5 years matched by $1 billion in donations. But, again, if you did an overlay, you would see as this administration instituted its policy of failure. You in fact see an increase in drug use among our youth.

One of the other things that is disturbing is the entire effort of the United States to curtail illegal narcotics. We know that heroin and cocaine and even methamphetamine and even the heroin that is produced in Mexico now is in increasing volume.

We had in Panama up until May of last year the headquarters for our forward operating location. Unfortunately, the administration bungled the negotiations. Of course, we were sort of destined to lose Panama and the $10 billion in facilities, and we have lost two ports to some Chinese interests through illegal tenders.

Put all that aside, but we still should have been able to negotiate the lease or use of these in anti-narcotics efforts, and the State Department failed miserably. Now we are scurrying around at great cost, and I think in the supplemental package it is over $120 million to put in new installations in Ecuador, in Aruba and Curacao, those two agreements have finally been signed, 10 year agreements, but we are going to have to spend that money upgrading bases and airfields to do our surveillance operation.

In the meantime, we have exposed ourselves to incredible volume. You will see it in the streets, the schools, with our young people, of these illegal drugs. What is interesting, and we predicted it, and I have a recent article here that shows even Europe is now becoming victimized by cocaine which is coming in. They are producing so much, there is an oversupply. The price is so low in the United States and it is so available that this week's paper, one of these articles, shows that now it is coming into Europe in incredible volume.

So we have basically closed down our surveillance operation. Taxpayer money is going to have to be spent to put that back in place. It will be 2002, according to the latest reports that we have.

What concerns me, and Republicans make mistakes just like Democrats, and I guess I cannot refer to the member of the other body who is proposing this, but they are now trying to penalize, and it is someone of my own party, Peru. Peru has President Fujimoro, and you heard his record of success, cutting 63 percent of the cocaine production. Instead of rewarding him, we are going to penalize him because, again, some of those are not happy with the election. He is in his, I believe, third term.

But he has done a remarkable job, and because his opponent wanted to call off the election, imagine, okay, Bush is ahead, we are going to call off the election, or GORE is ahead, we are going to call off the election. This candidate could not even decide on a date certain when an election should be held.

But we have Members of Congress who now want to penalize Peru, who has done a great job, and I am sad to hear that. We should be assisting them and applauding them for cutting off the supply of deadly narcotics coming into the United States, instead of cutting assistance to them.

Mr. Speaker, as we wrap up tonight, I tried to talk about some of the things that the President of the United States did not talk about before the NAACP in Baltimore. It is really sad what has not been said.

It is sad that a great and historic city like Baltimore has fallen victim, to where one in eight of its population, some 80,000, are drug and heroine addicts. It is sad that in the last 10 years, hundreds and thousands of African American young people were slaughtered on the streets of this city, our Nation's Capital, when they let this community really be neglected.

It is sad, too, that sometimes my side of the aisle offers tough love, and it is not as warm and fuzzy and cozy as cuddling and go-have-another-enjoyable-do-it-yourself-time, no consequences.

We do not say that. We say you have to be responsible. The government has to be responsible. We cannot let the Nation's Capital fall into disrepair, nor can we let the Nation's finances fall into disrepair. Some of that has been tough love. It is a lot easier to vote for things here, and it is a lot easier to say we are going to be lax and we are going to let everybody do their thing.

But we have to be responsible. The President of the United States, unfortunately, I think has left a legacy that is going to haunt us for many years.

I can tell you, I have never faced a greater challenge than working with my colleagues, the gentleman from New York (Mr. GILMAN), the gentleman from Indiana (Mr. BURTON), the Speaker of the House, others in the other body, in trying to put this coherent national drug policy back together. So much damage has been done that it will take years and years to get us back to where we were, even in 1991.

I told you the record of success, which they call failure, 50 percent reduction. We have 90 percent and 100 percent increases in some drug use, illegal narcotics abuse, and use in some substances in a short time in this administration.

But I look forward to working with my colleagues. It is a tough battle. It is not a partisan battle. Republicans make mistakes, Democrats make mistakes, but we must learn by the mistakes of this administration and never let them happen, and seize back our community, seize back our children, and not let another family or child or parent or loved one in this country be victimized by illegal narcotics.

Mr. Speaker, I wish to thank the staff and you for being tolerant for my second one hour presentation this week, but I feel very deeply about this, and I am committed to do whatever I can as one Member of Congress to help us do a better job.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FORBES (at the request of Mr. GEPHARDT) for today on account of personal reasons.

Mr. MARKEY (at the request of Mr. GEPHARDT) for today on account of a death in the family.

Mrs. CHENOWETH-HAGE (at the request of Mr. ARMEY) for today on account of illness.

SPECIAL ORDERS GRANTED

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

(The following Members (at the request of Ms. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:)

Mr. BLUMENAUER, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Ms. STABENOW, for 5 minutes, today.

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

Mrs. JONSON of Connecticut, for 5 minutes, today.

Mr. CAMP, for 5 minutes, today.

Mr. KOLBE, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mr. WICKER, for 5 minutes, today.

Mr. HORN, for 5 minutes, today.

Mr. HOEKSTRA, for 5 minutes, today.

Mr. BOEHLERT, for 5 minutes, today.

Mr. SHAYS, for 5 minutes, today.

Mr. SOUDER, for 5 minutes, today.

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

Mr. DREIER, for 5 minutes, today.

SENATE ENROLLED BILLS SIGNED

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

S. 986. An act to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority.

S. 1892. An act to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture, and for other purposes.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 7 o'clock and 15 minutes p.m.), under its previous order, the House adjourned until Monday, July 16, 2000, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

8520. A letter from the Associate Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Kiwifruit Grown in California; Temporary Suspension of Inspection and Pack Requirements [Docket No. FV00–920–1 FR] received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8521. A letter from the Congressional Review Coordinator, Department of Agriculture, transmitting the Department's final rule—Pork and Pork Products from Mexico Transiting the United States [Docket No. 98–095–3]—received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8522. A letter from the Congressional Review Coordinator, Animal and Plant Inspection Service, Department of Agriculture, transmitting the Department's final rule—Mexican Fruit Fly Regulations; Removal of Regulated Area [Docket No. 99–075–4] received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8523. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Importation of Grapefruit, Lemons, and Oranges From Argentina [Docket No. 97–110–5] (RIN 0579–AA92) received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8524. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Azinphos-Methyl, Revocation and Lowering of Certain Tolerances; Tolerance Actions [OPP–301003; FRL–6557–9] (RIN: 2070–AB78) received June 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8525. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Trichoderma Harzianum Rifai Strain T–39; Exemption from the Requirement of a Tolerance [OPP–300924; FRL–6383–7] (RIN: 2070–AB78) received June 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8526. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clodinafop-propargyl; Pesticide Tolerance [OPP–301009; FRL–6590–7] (RIN: 2070–AB78) received June 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8527. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Cloquintocet-mexyl; Pesticide Tolerance [OPP–301010; FRL–6592–4] (RIN: 2070–AB78) received June 16, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8528. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Dicamba, Pesticide Tolerances; Technical Amendment [OPP–300767A; FRL–6558–5] (RIN: 2070–Ab78) received May 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8529. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the Administration's final rule—Standards of Conduct (RIN: 3052–AB95) received June 21, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

8530. A letter from the Deputy Assistant Secretary of the Army, Installations and Housing, Department of Defense, transmitting a report on a gift proffer of a qualified guarantee as required by Title 10, United States Code, Section 4357; to the Committee on Armed Services.

8531. A letter from the Senior Attorney, Federal Register Certifying Officer, Department of Treasury, transmitting the Department's final rule—Regulations Governing FedSelect Checks (RIN: 1510–AA44) received April 24, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8532. A letter from the General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Truth in Savings—received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8533. A letter from the General Counsel, National Credit Union Adminstration, transmitting the Agency's final rule—Organization and Operations of Federal Credit Unions—received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

8534. A letter from the Administrator, Food and Nutrition Service, Department of Agriculture, transmitting the Department's final rule—National School Lunch Program and School Breakfast Program: Identification of Blended Beef, Pork, Poultry or Seafood Products (RIN: 0584–AC92) received June 13, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8535. A letter from the Office of Elementry and Secondary Education, Department of Education, transmitting the Department's

final rule—Native Hawaiian Curriculum Development, Teacher Training and Recruitment Program—received June 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8536. A letter from the Assistant General Counsel for Regulatory Law, Office of Independent Oversight, Department of Energy, transmitting the Department's final rule—Security and Emergency Management Independent Oversight and Performance Assurance Program—received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8537. A letter from the Deputy Executive Secretary, Department of Health and Human Services, transmitting the Department's final rule—Block Grant Programs (RIN: 0991–AA97) received April 18, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8538. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Food Additives Permitted in Feed and Drinking Water of Animals; Selenium Yeast [Docket No. 98F–0196] received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8539. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Sunscreen Drug Products for Over-the-Counter Human Use; Final Monograph; Extension of Effective Date; Reopening of Administrative RECORD [Docket No. 78N–0038] (RIN: 0910–AA01) received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8540. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—Indirect Food Additives; Adhesives and Components of Coatings; Technical Amendment [Docket No. 92F–0443] received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8541. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—General Hospital and Personal Use Devices; Classification of Liquid Chemical Sterilants/High Level Disinfectants and General Purpose Disinfectants [Docket No. 98N–0786]—received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8542. A letter from the Director, Regulations Policy and Management Staff, FDA, Department of Health and Human Services, transmitting the Department's final rule—General Hospital and Personal Use Devices; Classification of the Subcutaneous, Implanted, Intravascular Infusion Port and Catheter and the Percutaneous, Implanted, Long-term Intravascular Catheter [Docket No. 99N–2099] received June 19, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8543. A letter from the Deputy Assistant Administrator, Office of Diversion Control, Department of Justice, transmitting the Department's final rule—Placement of Gamma-Butyrolactone in List I of the Controlled Substances Act [DEA Number 199F] (RIN: 1117–AA52) received May 22, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8544. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [MO 103–1103; FRL–6701–3] received May 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8545. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [Region 7 Tracking No. MO 101–1101; FRL–6701–4] received May 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8546. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; State of Missouri [Region 7 Tracking No. Mo 102–11–2; FRL–6701–5] received May 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8547. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans: State of Missouri [MO 096–1096b; FRL–6701–6]—received May 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8548. A letter from the Administrator, Environmental Protection Agency, transmitting the report entitled, ''Deposition of Air Pollutants to the Great Waters: Third Report to Congress''; to the Committee on Commerce.

8549. A letter from the Director, Office of Regulatory Management, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Ohio [OH135–1a, FRL–6600–8] received May 25, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8550. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plan for Utah: Transportation Control Measures [UT–001–0029; FRL–6711–9] received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8551. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Drummond and Victor, Montana) [MM Docket No. 99–134, RM–9543, RM–9572] received May 25, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8552. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments FM Broadcast Stations. (Anniston and Ashland, Alabama, and College Park, Covington, Milledgeville, and Social Circle, Georgia) [MM Docket No. 98–112, RM–9027, RM–9268, RM–9384] received May 25, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8553. A letter from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Cheyenne, Wyoming and Gering, Nebraska) [MM Docket No. 97–106, RM–9044, RM–9741] received May 25, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8554. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Bayfield, Colorado and Teec Nos Pos, Arizona) [MM Docket No. 99–103, RM–9506, RM–9829] received May 25, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8555. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Seymour, Texas) [MM Docket No. 99–340, RM–9778] received May 25, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8556. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Reexamination of the Comparative Standards for Noncommercial Educational Applicants [MM Docket No. 95–31] received May 25, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8557. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations. (Monahans and Gardendale, Texas) [MM Docket No. 99–3–2, RM–9727] received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8558. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Madisonville, Texas) [MM Docket No. 99–936 RM–9644) received May 25, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

8559. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting Notification of justification of defense articles, services, and military education and training furnished under section 506 of the Foreign Assistance Act of 1961 to Sierra Leone, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on International Relations.

8560. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Procurement List: Additions and Deletions—received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

8561. A letter from the Administrator, General Services Administration, transmitting two reports to Congress on agency compliance with mandatory use of the Government charge card provisions of the Travel and Transportation Reform Act of 1998; to the Committee on Government Reform.

8562. A letter from the Administrator, General Services Administration, transmitting the Fiscal Year 2001 Performance Plan for the General Services Administration; to the Committee on Government Reform.

8563. A letter from the Acting Assistant Administrator for Fisheries, NMFS, Department of Commerce, transmitting the Department's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Stellar Sea Lion Protection Measures for the Pollock Fisheries Off Alaska [Docket No. 000119015–0015–

01; I.D. 010500A] (RIN: 0648–AM32) received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8564. A letter from the Acting Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Essential Fish Habitat for Species in the South Atlantic; Amendment 4 to the Fishery Management Plan for Coral, Coral Reefs, and Live/Hard Bottom Habitats of the South Atlantic Region (Coral FMP) [Docket No. 990621165–0151–02; I.D. 022599A] (RIN: 0648–AL43) received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8565. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Rebuilding Overfished Fisheries [I.D. 022500C] (RIN: 0648–AM29) received June 21, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8566. A letter from the Acting Assistant Administrator for Fisheries, Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries off West Coast States and in the Western Pacific Coast Groundfish Fishery; Temporary Closure for the Shore-based Whiting Sector [Docket No. 99122347–9347–01; I.D. 060600C] received June 21, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8567. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries off West Coast States and in the Western Pacific; Pacific Coast Groundfish Fishery; Whiting Closure for the Mothership Sector [Docket No. 99122347–9347–01; I.D. 060500A] received June 21, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8568. A letter from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Emergency Interim Rules to Implement the American Fisheries Act; Extension of Expiration Dates [Docket No. 991228352–0182–03; I.D. 121099C, 011100D] (RIN: 0648–AM83) received June 27, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

8569. A letter from the Assistant Secretary, Civil Works, Department of the Army, transmitting a report entitled, ''Bethany Beach and South Beach Interim Feasibility Study''; to the Committee on Transportation and Infrastructure.

8570. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model SE.3160, SA.316B, SA.316C, SA.319B, SA330F, SA330G, SA330J, SA341G and SA342J Helicopters [Docket No. 99–SW–04–AD; Amendment 39–11729; AD 2000–10–05] (RIN 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8571. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industrie Model A300, A300–600, and A310 Series Airplanes [Docket No. 99–NM–251–AD; Amendment 39–11742; AD 2000–10–18] (RIN: 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8572. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320 Series Airplanes [Docket No. 98–NM–99–AD; Amendment 39–11739; AD 2000–10–15] (RIN: 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8573. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes [Docket No. 99–NM–28–AD; Amendment 39–11740; AD 2000–10–16] (RIN: 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8574. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Israel Aircraft Industries, Ltd., Model 1125 Westwind Astra and Astra SPX Series Airplanes [Docket No. 99–NM–360–AD; Amendment 39–11743; AD 2000–10–19] (RIN: 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8575. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes Equipped With Pratt & Whitney JT9D–70 Series Engines [Docket No. 99–NM–65–AD; Amendment 39–11741; AD 2000–10–17] (RIN: 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8576. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737 Series Airplanes [Docket No. 2000–NM–111–AD; Amendment 39–11745; AD 2000–10–21] (RIN: 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8577. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; The New Piper Aircraft, Inc., Models PA–46–310P and PA–46–350P Airplanes [Docket No. 98–CE–112–AD; Amendment 39–11747; AD 99–15–04 R1] (RIN: 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8578. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747–100, -200, -300, 747SR, and 747SP Series Airplanes [Docket No. 97–NM–88–AD; Amendment 39–11748; AD 2000–10–23] (RIN: 2120–AA64) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8579. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E airspace, Englewood, CO [Airspace Docket No. 00–ANM–01] (RIN: 2120–AA66) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8580. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Fort Stockton, TX [Airspace Docket No. 2000–ASW–09] (RIN: 2120–AA66) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8581. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Realignment and Establishment of VOR Federal Airways; KY and TN [Airspace Docket No. 97–ASO–18] (RIN: 2120–AA66) received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8582. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Waco, TX [Airspace Docket No. 2000–ASW–08] (RIN: 2120–AA66) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8583. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Change Using Agency for Restricted Area R–260 2, Colorado Springs, CO [Airspace Docket No. 00–ANM–06] (RIN: 2120–AA66) received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8584. A letter from the Program Analyst, Department of Transportation, transmitting the Department's final rule—Revision of Class D Airspace, Alexandria England AFB, LA; Revocation of Class D Airspace, Alexandria Esler Regional Airport, LA; and Revision of Class E Airspace, Alexandria, LA [Airspace Docket No. 2000–ASW–10] (RIN: 2120–AA66) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8585. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30071; Amdt. No. 1995] received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8586. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class D Airspace; Salisbury, MD [Airspace Docket No. 99–AEA–07] (RIN: 2120–AA66) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8587. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30072; Amdt. No. 1996] received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8588. A letter from the FHWA, Regulations Officer, FHA, Department of Transportation, transmitting the Department's final rule—Federal Motor Carrier Safety Regulations: General: Commercial Motor Vehicle Marking [Docket No. FMCSA–98–3847 (Formerly Docket No. FHWA–98–3947)] (RIN: 2126–AA14 (Formerly 2125–AD49)) received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8589. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety Zone: Fireworks Display, Naval Station Newport, Newport, RI [CGD01–99–197] (RIN: 2115–AA97)

received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8590. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety zone: Fireworks Display, East River, Wards Island [CGD01–00–133] (RIN: 2115–AA97) received June 2, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8591. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Fees for FAA Services for Certain Flights [Docket No. FAA–00–7018; Amendment No. 187–11] (RIN: 2120–AG–17) received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8592. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Willits, CA [Airspace Docket No. 00–AWP–1] (RIN: 2120–AA66) received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8593. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30057; Amdt. No. 1993] (RIN: 2120–AA65) received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8594. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Commander Aircraft Company Model 114TC Airplanes [Docket No. 99–CE–81–AD; Amendment 39–11752; AD 2000–11–04] (RIN: 2120–AA64) received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8595. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 30042; Amdt. No. 1991] (RIN: 2120–AA65) received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8596. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Prohibition of Smoking on Scheduled Passenger Flights [Docket No. FAA–2000–7467; Amendment Nos. 121–277, 129–29 and 135–76] (RIN: 2120–AH04) received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8597. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous [Docket No. 30058; Amdt. No. 1994] received June 12, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8598. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Type Certification Procedures for Changed Products [Docket No. 28903; Amdt. No. 11–45, 21–77, 25–99] (RIN: 2120–AF68) received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8599. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Yukon-Kuskokwim Delta, Alaska [Airspace Docket No. 99–AAL–24] received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8600. A letter from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Orange City, IA; Correction [Airspace Docket No. 00–ACE–9] received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8601. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Ocean Dumping: Designation of Site [FRL–6702–1]—received May 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

8602. A letter from the Deputy General Counsel, Office of SDB Certification and Eligibility, Small Business Administration, transmitting the Administration's final rule—8(a) Business Development/Small Disadvantaged Business Status Determinations—received June 13, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

8603. A letter from the Deputy General Counsel, Office of Size Standards, Small Business Administration, transmitting the Administration's final rule—Small Business Size Regulations; Size Standards and the North American Industry Classification System—received June 13, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

8604. A letter from the Deputy General Counsel, Office of Size Standards, Small Business Administration, transmitting the Administration's final rule—Small Business Size Standards; Help Supply Services—received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Small Business.

8605. A letter from the Administrator, Office of Workforce Security, Employment and Training Administration, Department of Labor, transmitting the Department's final rule—Unemployment Insurance Program Letters 34–97 and 25–00—received June 27, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8606. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Extension of Remedial Amendment Period [Rev. Proc. 2000–27] received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8607. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Use of Actuarial Tables in Valuing Annuities, Interests for Life or Terms of Years, and Remainder or Reversionary Interests [TD 8886] (RIN: 1545–AX07) received June 9, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8608. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Real Estate Mortgage Investment Conduits; Reporting Requirements and Other Administrative Matters [TD 8888] (RIN: 1545–AU96) received June 15, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8609. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Effect of Reorganization of the Office of Chief Counsel on Letter Ruling and Technical Advice Programs [Notice 2000–35] received June 27, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8610. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Bank Procedures [Rev. Rul. 2000–30] received June 27, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8611. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update [Notice 2000–31] received June 27, 2000, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

8612. A letter from the Comptroller General, Federal Deposit Insurance Corporation, transmitting the Financial Audit: Federal Deposit Insurance Corporation's 1999 and 1998 Financial Statements, pursuant to 12 U.S.C. 1827; jointly to the Committees on Banking and Financial Services and Government Reform.

8613. A letter from the Lieutenant General, USA Director, Defense Security Cooperation Agency, transmitting a report authorizing the transfer of up to $100M in defense articles and services to the Government of Bosnia-Herzegovina, pursuant to Public Law 104–107, section 540(c) (110 Stat. 736); jointly to the Committees on International Relations and Appropriations.

8614. A letter from the Assistant Attorney General, Department of Justice, transmitting a draft bill that would authorize the Federal Trade Commission to ban the inappropriate sale or purchase of social security numbers; jointly to the Committees on Commerce, Ways and Means, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

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

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 4210. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide for improved Federal efforts to prepare for and respond to terrorist attacks, and for other purposes; with an amendment (Rept. 106–731). Referred to the Committee of the Whole House on the State of the Union.

Ms. PRYCE of Ohio: Committee on Rules. House Resolution 550. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 106–732). Referred to the House Calendar.

Mr. HYDE: Committee on the Judiciary. H.R. 3485. A bill to modify the enforcement of certain anti-terrorism judgments, and for other purposes; with an amendment (Rept. 106–733). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. ARCHER (for himself, Mr. PORTMAN, and Mr. CARDIN):

H.R. 4843. A bill to amend the Internal Revenue Code of 1986 to provide for retirement

security and pension reform; to the Committee on Ways and Means.

By Mr. SHUSTER (for himself, Mr. OBERSTAR, Mr. ARCHER, Mr. RANGEL, Mr. PETRI, Mr. RAHALL, Mr. SHAW, and Mr. MATSUI):

H.R. 4844. A bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HYDE (for himself, Mr. CANADY of Florida, Mr. HUTCHINSON, Mr. GILMAN, Mr. WOLF, Mr. HANSEN, Mr. CHABOT, Mr. METCALF, Mr. SHAYS, and Mr. CASTLE):

H.R. 4845. A bill to amend title 18, United States Code, with respect to the prohibition against political fundraising activities in Federal buildings; to the Committee on the Judiciary.

By Mr. THOMAS (for himself, Mr. HOYER, Mr. BOEHNER, Mr. EHLERS, Mr. EWING, Mr. FATTAH, Mr. DAVIS of Florida, Mr. BRYANT, Mr. JENKINS, Mr. WAMP, Mr. TANNER, Mr. SERRANO, Mr. NEY, Mr. BONIOR, and Ms. MCCARTHY of Missouri):

H.R. 4846. A bill to establish the National Recording Registry in the Library of Congress to maintain and preserve recordings that are culturally, historically, or aesthetically significant, and for other purposes; to the Committee on House Administration, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DOOLEY of California (for himself, Mr. DOOLITTLE, and Mr. RADANOVICH):

H.R. 4847. A bill to direct the Secretary of the Interior to refund certain amounts received by the United States pursuant to the Reclamation Reform Act of 1982; to the Committee on Resources.

By Mr. FORBES (for himself, Mrs. EMERSON, Mr. CONYERS, Mrs. LOWEY, Mr. DAVIS of Illinois, Mr. PAYNE, Mr. SMITH of Washington, Mr. ETHERIDGE, Mr. FROST, Ms. MCKINNEY, Mrs. JONES of Ohio, Mrs. MALONEY of New York, Mr. MALONEY of Connecticut, Mr. BALDACCI, Mrs. THURMAN, Mr. NADLER, Mr. MORAN of Virginia, Ms. KILPATRICK, Mrs. MEEK of Florida, Ms. CARSON, Mrs. TAUSCHER, Mr. EVANS, Ms. PELOSI, Mr. STARK, Mr. UDALL of Colorado, Mrs. NAPOLITANO, Mr. REYES, Mr. HOEFFEL, Mrs. MORELLA, Mr. HILLIARD, Ms. DEGETTE, Ms. BALDWIN, Mr. ENGEL, Mr. HINCHEY, Mr. TOWNS, Mr. ROTHman, Ms. LEE, Ms. SCHAKOWSKY, Mr. FARR of California, Ms. WOOLSEY, Ms. BROWN of Florida, Ms. SLAUGHTER, Ms. HOOLEY of Oregon, Ms. MILLENDER-MCDONALD, Ms. JACKSON-LEE of Texas, Mr. BERMAN, Ms. ROYBAL-ALLARD, and Ms. MCCARTHY of Missouri):

H.R. 4848. A bill to establish the Violence Against Women Office within the Department of Justice; to the Committee on the Judiciary.

By Mr. FRANKS of New Jersey (for himself, Mr. FRELINGHUYSEN, Mr. PASCRELL, Mr. METCALF, Ms. DUNN, Mr. INSLEE, Mr. DICKS, Mr. MCDERMOTT, Mr. BAIRD, and Mr. SMITH of Washington):

H.R. 4849. A bill to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STUMP (for himself, Mr. EVANS, Mr. QUINN, and Mr. FILNER):

H.R. 4850. A bill to provide a cost-of-living adjustment in rates of compensation paid to veterans with service-connected disabilities, to enhance programs providing compensation and life insurance benefits for veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HILL of Montana:

H.R. 4851. A bill to amend the Internal Revenue Code of 1986 to make a technical correction to the definition of hard cider for purposes of the excise tax on alcohol; to the Committee on Ways and Means.

By Mr. HYDE:

H.R. 4852. A bill to protect the budget of the Federal courts; to the Committee on the Judiciary, and in addition to the Committees on the Budget, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. JONES of Ohio (for herself, Mr. BROWN of Ohio, Mr. TRAFICANT, Mr. NEY, Mr. BOEHNER, Mr. CHABOT, Mr. GILLMOR, Mr. HALL of Ohio, Mr. HOBSON, Ms. KAPTUR, Mr. KASICH, Mr. KUCINICH, Mr. LATOURETTE, Mr. OXLEY, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. REGULA, Mr. SAWYER, and Mr. STRICKLAND):

H.R. 4853. A bill to redesignate the facility of the United States Postal Service located at 1568 South Glen Road in South Euclid, Ohio, as the ''Arnold C. D'Amico Station''; to the Committee on Government Reform.

By Mr. MARTINEZ (for himself, Mr. ABERCROMBIE, Mr. GUTIERREZ, Mrs. NAPOLITANO, Mr. PAYNE, and Mrs. MINK of Hawaii):

H.R. 4854. A bill to amend the National Labor Relations Act to protect the rights of emergency medical technicians employed by acute care hospitals; to the Committee on Education and the Workforce.

By Mr. PAUL:

H.R. 4855. A bill to restore to taxpayers awareness of the true cost of government by eliminating the withholding of income taxes by employers and requiring individuals to pay income taxes in monthly installments, and for other purposes; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 4856. A bill to normalize trade relations with Cuba, and for other purposes; to the Committee on Ways and Means.

By Mr. SHAW (for himself, Mr. KLECZKA, Mr. FOLEY, Mr. MATSUI, Mr. SAM JONSON of Texas, Mr. WELLER, and Mr. HAYWORTH):

H.R. 4857. A bill to amend the Social Security Act to enhance privacy protections for individuals, to prevent fraudulent misuse of the Social Security account number, and to provide additional safeguards for Social Security and Supplemental Security Income beneficiaries with representative payees, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, Banking and Financial Services, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STUPAK (for himself, Mr. CONYERS, Mr. GEORGE MILLER of California, Ms. STABENOW, Mr. FROST, Mr. FALEOMAVAEGA, Mr. KENNEDY of Rhode Island, Mr. ABERCROMBIE, Ms. KILPATRICK, Mr. RANGEL, Mr. KILDEE, Mr. BACA, Mr. PETERSON of Minnesota, Mr. MCDERMOTT, Mr. MARTINEZ, Ms. LEE, Mr. KIND, Mr. BARCIA, Mr. FILNER, Ms. CARSON, Ms. PELOSI, Mr. DIAZ-BALART, Ms. JACKSON-LEE of Texas, Mr. PALLONE, Mr. UDALL of Colorado, and Mr. UDALL of New Mexico):

H.R. 4858. A bill to provide that the first $5,000 received from the income of an Indian tribe by any member of the tribe who has attained 50 years of age shall be disregarded in determining the eligibility of the member or the member's household for benefits, and the amount or kind of any benefits of the member or household, under various means-tested public assistance programs; to the Committee on Resources, and in addition to the Committees on Agriculture, Banking and Financial Services, Commerce, Education and the Workforce, Veterans' Affairs, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TAYLOR of North Carolina (for himself, Mr. BALLENGER, Mr. COBLE, Mr. GRAHAM, Mr. BURR of North Carolina, Mr. JONES of North Carolina, Mr. DOOLITTLE, and Mr. RADANOVICH):

H.R. 4859. A bill to reduce emissions from Tennessee Valley Authority electric powerplants, and for other purposes; to the Committee on Commerce.

By Mr. GILMAN (for himself, Mr. MARKEY, Mr. KNOLLENBERG, and Mr. PALLONE):

H.R. 4860. A bill to provide for reports to Congress about proliferation by North Korea of weapons of mass destruction and missiles to deliver such weapons, and for other purposes; to the Committee on International Relations.

By Mr. LAZIO (for himself and Mr. BOEHLERT):

H.R. 4861. A bill to address the acid rain and greenhouse gas impacts of electric utility restructuring and to encourage the development of renewable energy resources, and for other purposes; to the Committee on Commerce.

By Mr. CANADY of Florida (for himself, Mr. NADLER, and Mr. EDWARDS):

H.R. 4862. A bill to protect religious liberty, and for other purposes; to the Committee on the Judiciary.

By Mr. PAUL:

H.J. Res. 104. A joint resolution to disapprove a rule issued by the Environmental Protection Agency relating to proposed revisions to the national pollutant discharge elimination system program and Federal antidegradation policy and the proposed revisions to the water quality planning and management regulations concerning total maximum daily load; to the Committee on Transportation and Infrastructure.

By Mr. RAMSTAD:

H. Con. Res. 371. Concurrent resolution supporting the goals and ideas of National Alcohol and Drug Recovery Month; to the Committee on Government Reform.

By Mr. SHOWS (for himself, Mr. COBURN, Mr. MCINTYRE, Mr. LARGENT, Mr. STENHOLM, Mr. RYUN of Kansas, Mr. ADERHOLT, Mr. DEMINT, Mr. HOSTETTLER, Mr. TAYLOR of Mississippi, Mr. PITTS, Mr. SOUDER, and Mr. LIPINSKI):

H. Res. 551. A resolution supporting the national motto of the United States; to the Committee on the Judiciary.

By Mr. WU (for himself, Mr. WALDEN of Oregon, Ms. HOOLEY of Oregon, Mr. DEFAZIO, Mr. BLUMENAUER, and Mr. BAIRD):

H. Res. 552. A resolution urging the House to support mentoring programs such as Saturday Academy at the Oregon Graduate Institute of Science and Technology; to the Committee on Education and the Workforce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Ms. HOOLEY of Oregon introduced a bill (H.R. 4863) for the relief of Julian Mart, Paul Mart, Veronica Mart, and Adelina Mart; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 49: Mr. WEINER.
H.R. 372: Mr. STUPAK.
H.R. 488: Mrs. MORELLA.
H.R. 531: Mr. DOOLITTLE.
H.R. 534: Mr. BURR of North Carolina, Mr. ISTOOK, Mrs. TAUSCHER, Mr. TOOMEY, and Mr. DELAHUNT.
H.R. 583: Mr. MATSUI.
H.R. 935: Mr. CHABOT.
H.R. 960: Mr. UDALL of Colorado and Mrs. NAPOLITANO.
H.R. 1071: Mr. HALL of Texas.
H.R. 1163: Mr. LEVIN.
H.R. 1172: Mr. DAVIS of Virginia, Mr. FRANKS of New Jersey, and Mr. CAMPBELL.
H.R. 1217: Mrs. TAUSCHER.
H.R. 1303: Mr. SHIMKUS and Mr. UDALL of Colorado.
H.R. 1322: Mr. BASS, and Mr. BENTSEN.
H.R. 1387: Mr. ROEMER.
H.R. 1716: Mr. SNYDER.
H.R. 1824: Mr. PETERSON of Minnesota.
H.R. 1865: Ms. LEE and Mr. PRICE of North Carolina.
H.R. 1994: Mr. MORAN of Kansas.
H.R. 2101: Mr. GONZALEZ.
H.R. 2119: Ms. CARSON and Mr. WAXMAN.
H.R. 2121: Mr. HORN, Mr. WHITFIELD, and Mr. TOOMEY.
H.R. 2344: Mr. UPTON, Mrs. TAUSCHER, Mr. UDALL of New Mexico, and Mr. NADLER.
H.R. 2457: Mr. ETHERIDGE, Mr. RAHALL, Ms. KILPATRICK, MS. STABENOW, Mr. WU, and Mr. KUCINICH.
H.R. 2514: Mrs. CHRISTENSEN.
H.R. 2573: Ms. HOOLEY of Oregon and Mr. DEUTSCH.
H.R. 2597: Mr. HOSTETTLER.
H.R. 2639: Mr. WHITFIELD.
H.R. 2710: Mr. STUPAK.
H.R. 2814: Mrs. MALONEY of New York.
H.R. 2883: Mr. FRANKS of New Jersey.
H.R. 2892: Ms. LOFGREN, Mr. MATSUI, Mr. ISAKSON, and Mr. DEAL of Geogia.
H.R. 2911: Mr. WHITFIELD and Mr. CLEMENT.
H.R. 3032: Mr. DEFAZIO.
H.R. 3082: Mr. PASTOR.
H.R. 3083: Ms. BALDWIN, Mr. DAVIS, of Illinois, Mr. ACKERMAN, Mrs. NAPOLITANO, Mr. RODRIGUEZ, Ms. VELÁZQUEZ, Mr. MCDERMOTT, Mr. HILLIARD, and Ms. DEGETTE.
H.R. 3161: Ms. WOOLSEY and Mr. ETHERIDGE.
H.R. 3193: Mr. HOYER and Mr. BERMAN.
H.R. 3249: Mr. MANZULLO.
H.R. 3275: Ms. RIVERS.
H.R. 3301: Mrs. CLAYTON.
H.R. 3308: Mr. CLYBURN and Mr. QUINN.
H.R. 3315: Ms. BERKLEY.
H.R. 3584: Mr. ETHERIDGE, Mr. PASTOR, and Mr. SHERMAN.
H.R. 3628: Ms. MCKINNEY and Ms. CARSON.
H.R. 3661: Mr. HASTINGS of Washington.
H.R. 3700: Mr. WATKINS, Mr. ANDREWS, Mr. WELDON of Pennsylvania, Ms. RIVERS, Mrs. KELLY, Mr. BATEMAN, Ms. SLAUGHTER, and Mr. MCINTYRE.
H.R. 3712: Mr. SPRATT.
H.R. 3826: Mr. WEINER and Mr. MEEKS of New York.
H.R. 3840: Mr. DOYLE and Mr. EVANS.
H.R. 3872: Mr. BONILLA.
H.R. 3891: Ms. DELAURO.
H.R. 3901: Mrs. CLAYTON.
H.R. 3983: Mr. TURNER.
H.R. 4066: Mr. LIPINSKI and Mr. WAXMAN.
H.R. 4094: Mr. LOBIONDO, Mr. KING, and Mr. MOLLOHAN.
H.R. 4149: Mr. DEUTSCH.
H.R. 4191: Mr. GREEN of Wisconsin and Ms. KAPTUR.
H.R. 4215: Mr. CALLAHAN and Mr. JONES of North Carolina.
H.R. 4239: Mr. HOLT.
H.R. 4250: Mr. WATT of North Carolina and Mr. BRADY of Pennsylvania.
H.R. 4258: Ms. MCKINNEY and Mr. BOEHLERT.
H.R. 4270: Mr. NETHERCUTT.
H.R. 4277: Mrs. THURMAN, Mr. LOBIONDO, and Mr. BILBRAY.
H.R. 4311: Mr. DEFAZIO, Mr. ENGLISH, Mr. FORD, and Mr. COOK.
H.R. 4320: Ms. RIVERS.
H.R. 4366: Mr. BAIRD, Mr. CLEMENT, and Mr. ENGLISH.
H.R. 4434: Mr. MOAKLEY, Mr. GILMAN, and Mr. LIPINSKI.
H.R. 4441: Mr. MOLLOHAN.
H.R. 4467: Ms. DEGETTE.
H.R. 4481: Mr. PRICE of North Carolina, Mr. MCINTOSH, Ms. KILPATRICK, Mr. WATT of North Carolina, Ms. DELAURO, Mr. MALONEY of Connecticut, and Mr. SHAYS.
H.R. 4483: Ms. HOOLEY of Oregon, Ms. PELOSI, Mr. NADLER, and Ms. CARSON.
H.R. 4535: Mr. TOWNS.
H.R. 4543: Mr. REGULA and Mr. COMBEST.
H.R. 4548: Mr. STENHOLM and Mr. LOBIONDO.
H.R. 4570: Mr. BERMAN, Mr. GONZALEZ, Mr. KUCINICH, Mr. NADLER, Mr. TOWNS, AND MR. WYNN.
H.R. 4592: Mr. BLUMENAUER and Ms. HOOLEY of Oregon.
H.R. 4596: Ms. KAPTUR, Mr. BRADY of Pennsylvania, Ms. JACKSON-LEE of Texas, Mrs. MALONEY of New York, and Mr. FALEOMAVAEGA.
H.R. 4598: Mr. MCNULTY, Mr. HAYWORTH, Ms. DUNN, and Mr. OXLEY.
H.R. 4602: Mr. FROST, Mr. MURTHA, Mr. EHRLICH, and Mr. MORAN of Virginia.
H.R. 4652: Mr. GILMAN.
H.R. 4675: Mr. STUPAK.
H.R. 4713: Mr. DELAY.
H.R. 4715: Mr. LEWIS of Kentucky, Mr. RAMSTAD, Mr. HAYWORTH, Mr. LEVIN, and Mr. WELLER.
H.R. 4728: Mr. MCINNIS.
H.R. 4738: Mr. HAYWORTH.
H.R. 4739: Ms. MCKINNEY.
H.R. 4740: Mrs. MINK of Hawaii and Mr. STUPAK.
H.R. 4742: Mr. LAFALCE.
H.R. 4750: Mr. LATOURETTE.
H.R. 4765: Mr. EVERETT and Mr. REYES.
H.R. 4794: Mr. FATTAH, Mr. LATOURETTE, Mr. FROST, and Mr. MEEHAN.
H.R. 4807: Mr. BOUCHER, Mr. GONZALEZ, Mr. ACKERMAN, Mr. HOBSON, Mr. WHITFIELD, Mr. FOSSELLA, Ms. MILLENDER-MCDONALD, Ms. PRYCE of Ohio, Mr. LARSON, Ms. BALDWIN, Ms. DEGETTE, Mrs. KELLY, Ms. KILPATRICK, Mr. TIAHRT, and Ms. RIVERS.
H.R. 4814: Ms. HOOLEY of Oregon.
H.R. 4817: Mr. TOWNS.
H.R. 4825: Mr. HERGER, Mr. PICKERING, Mr. DICKS, and Mr. KENNEDY of Rhode Island.
H.R. 4827: Mr. INSLEE.
H. Con. Res. 58: Mr. MCHUGH, Mrs. BIGGERT, Mr. BURTON of Indiana, Mr. EVANS, Mrs. KELLY, and Ms. ROYBAL-ALLARD.
H. Con. Res. 297: Mr. SHERMAN.
H. Con. Res. 327: Mrs. EMERSON.
H. Con. Res. 364: Mr. CHAMBLISS, Mr. HANSEN, Mrs. CUBIN, Mr. PAUL, Mr. GOODE, Mr. LUCAS of Oklahoma, Mr. BURTON of Indiana, Mr. GIBBONS, Mr. DICKS, Mr. THORNBERRY, Mr. HAYES, Mr. HOEKSTRA, Mr. KANJORSKI, Mr. SESSIONS, Mr. KLINK, Mr. ENGLISH, Mr. FOSSELLA, Mr. PRICE of North Carolina, Mr. SHADEGG, Mr. MORAN of Virginia, Mr. HERGER, Mrs. EMERSON, Mr. COOK, Mr. BOEHNER, Mr. SCOTT, Mr. MICA, Mr. UDALL of New Mexico, Mr. PETERSON of Minnesota, Mr. POMBO, Mr. HILLEARY, Mr. KIND, Mr. RADANOVICH, Mr. DIAZ-BALART, Mr. SMITH of Michigan, Mr. SHERWOOD, Mr. NEY, Mr. TRAFICANT, Mr. BILIRAKIS, and Mr. QUINN.
H. Con. Res. 367: Mr. GUTIERREZ and Mr. LEVIN.
H. Res. 544: Ms. ROYBAL-ALLARD, Mr. BONILLA, Mr. BARTON of Texas, Mr. GILLMOR, Mr. SHERMAN, and Mr. ORTIZ.
H. Res. 548: Mr. SHOWS, Mr. HOSTETTLER, Mr. PITTS, and Mr. RYUN of Kansas.
H. Res. 549: Mr. STUMP, Mr. HUNTER, Mr. ORTIZ, Mr. HALL of Texas, Mr. TURNER, Ms. SANCHEZ, Mr. ABERCROMBIE, Mr. BARTLETT of Maryland, Mr. REYES, Ms. BALDWIN, Mr. SANDERS, Mr. ROHRABACHER, Mr. BRADY of Texas, and Mr. BURTON of Indiana.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1660: Ms. STABENOW.
H.R. 1760: Ms. STABENOW.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 11 by Ms. SLAUGHTER on House Resolution 520: HAROLD E. FORD, Jr.

SENATE—*Thursday, July 13, 2000*

The Senate met at 8:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The guest Chaplain, Rev. Monsignor Peter J. Vaghi, St. Patrick's Catholic Church, Washington, DC, offered the following prayer:

Almighty God and Father, we call upon You this day in this year of Jubilee, in this year marking a new millennium of Your unique presence in our midst. Help us to recognize You in this Chamber—in the words that are spoken here and in every action which takes place here. Draw us close to You that we might know You all the more and come to love You as no other. Because of You, after all, ''we live and move and have our being''.—Acts 17:28.

This is a Chamber of law in a Nation under God. There is no greater law than the law of love which You continue to inscribe on our hearts. That law alone gives us peace. It is Your law. Lifting our hearts and voices to You, we pray on this July day that ancient Hebrew psalm: ''O Lord, great peace have they who love your law''.—Psalms 119:165.

We pray for that peace today. We pray for the wisdom to know and fashion concretely on Earth the law which You write on our hearts. Fill us each and every day, O Lord, with Your peace and love, a love which makes us ever more sensitive and vigilant to You. For You are alive in each and every person we are called to serve.

Finally, Almighty Father, we seek this day Your encouragement in all our humble efforts carried out in Your life-giving name. It is You we serve, You we love, and You who remain our peace forever. Amen.

PLEDGE OF ALLEGIANCE

The Honorable RICK SANTORUM, a Senator from the State of Pennsylvania, 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.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from New York.

GUEST CHAPLAIN, REV. MONSIGNOR VAGHI

Mr. MOYNIHAN. Mr. President, as those who were present will recognize, Monsignor Peter Vaghi is a member of the Senate family. He served here some years ago as the assistant to our esteemed and beloved brother, PETE DOMENICI. He is now the pastor of old St. Patrick's, or St. Patrick's Church on 10th Street, in the city, which is the oldest denominational church in the Federal city. It was founded in 1794 to provide for the religious needs, in the main, of Irish construction workers building the White House and the Capitol. Then came the Italians who were recruited for Jefferson's Marine Band, which was the principal source of culture and enthusiasm in the city in those days.

When the British arrived with their horrendous purposes—corresponding exactly, I have to say, as a New Yorker, to the New York forces, which rode across Lake Ontario and burned the city of York, then their capital, what we now know as Toronto—in the manner of the military of those days, they responded.

There were a sufficient number of British troops in town for a period that they, too, went to St. Patrick's. It has been a long relationship with the Nation's Government, as well as the parish—in no sense to make an issue of the matter, but simply to record a certain amount of patience. Monsignor Vaghi is, of course, a Roman Catholic. The Roman Catholic ministers are descendents of the one Roman Catholic Chaplain we have ever had in the Senate, Rev. Charles C. Pise, who served a year, as was the practice, from 1831 to 1832.

There descended on the Nation a spell of religious fanaticism—if you like that term, if you accept that term—which we associate with the ''know-nothings.'' When they were asked what they were doing about these matters, they would respond, ''I know nothing.'' And for a period of about 40 years—up to and including the Presidency, one regrets to say, of Ulysses S. Grant—the anti-Catholic forces in this country were quite alarmed and, if not ubiquitous, to be found in most places.

We have a curious debt to those people, which is the Washington Monument, as designed by Mills. It was to be the great obelisk, but it also was to be surrounded at the base with prancing stallions, such that we would never see the pristine statement that we now have. It was built with voluntary contributions by the Washington Monument Association. You can see them if you walk up; there are bas-reliefs inside saying who contributed.

In 1854, Pope Pius IX contributed a block of marble from the Temple of Concord in Rome, and a group of alert citizens learned that the installation of this block of marble was to be the signal for the Catholic uprising, and they broke into the stoneyard and dumped the block of marble somewhere in the Potomac. There was a measure of scandal, and the stump just stayed there indefinitely—until 1880. The Congress got nervous about the matter as the Centennial was coming, and the Corps of Engineers was dispatched to finish the job, which they did.

You can see a change in the color about a quarter of the way up. But also we were spared the prancing stallions, so there is some good that comes of all these things.

It is just such an honor to have the Monsignor with us. I speak as one of his parishioners. His family, Mr. and Mrs. Vaghi, are in the gallery today, as is Father Murphy and another parishioner. We welcome them. Although we are formally not supposed to acknowledge that anybody is up there, I think no one will mind on this occasion.

It is very fortunate for us to have him today. We thank him. We will spare him the debate that now commences with my dear friend, Senator ROTH, one long day of the death tax.

With that I thank him, I thank the Chair, and I yield the floor.

DEATH TAX ELIMINATION ACT

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report H.R. 8.

The legislative clerk read as follows:

A bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. As I conferred with the Chairman of the Finance Committee, the first amendment that the two leaders wish to be offered today is the Democratic alternative, which the senior Senator, the ranking member of the Finance Committee, will offer as soon as he completes his business with the guest Chaplain.

I indicate to all Senators listening, this matter has 2 hours evenly divided. Of course, we note at 9:30 we are in a break for 3 votes. So there is no need that we necessarily have to have the full 2 hours of debate on each side. Our leader has directed me—I am trying to think of a gracious way of saying this. I am going to be the one who distributes the time on the bill, and inasmuch

as we have only 20 minutes after time is evenly divided, on each of the 20 amendments we have today, we have to watch everything and make sure we follow the time guidelines. The leaders are not sure when votes will occur, other than the 9:30 votes.

At this time I yield to the Senator from Delaware.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER. The Senator from Delaware.

SCHEDULE

Mr. ROTH. Mr. President, I have a statement to make on behalf of the leader. I recall what my colleague said about today. I hope we can move as expeditiously as possible. It is not necessary that on each of these amendments we take the full time. Obviously, there should be full debate, but I hope, since we have 20 amendments, we can move, as I say, with dispatch.

Today the Senate will begin debate on the Death Tax Elimination Act. By previous consent, the Senate will proceed to the final votes on the Department of Defense authorization bill at approximately 9:30 a.m. Following the disposition of the DOD authorization bill, the Senate will resume the death tax legislation with amendments to be offered and voted on throughout the day.

As previously announced, the Senate will complete action on the death tax bill and the reconciliation legislation prior to adjournment this week. Therefore, Senators should be prepared for a late Friday session and a Saturday session if necessary.

I thank my colleagues for their attention and yield the floor.

RESERVATION OF LEADER TIME

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

DEATH TAX ELIMINATION ACT—Continued

Mr. REID. Mr. President, I yield the Senator from New York whatever time he may consume of the 2 hours.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 3821

Mr. MOYNIHAN. Mr. President, I rise for the purpose of offering an amendment in the nature of a substitute. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN] proposes an amendment numbered 3821.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes)

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

SEC. 2. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made during:	**The applicable amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 3. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

SEC. 4. SENSE OF SENATE REGARDING SAVINGS.

It is the sense of the Senate that the reduced cost to the Federal Treasury resulting from the amendments made by this Act as compared to the cost to the Federal Treasury of H.R. 8 as received by the Senate from the House of Representatives on June 12, 2000, should be used exclusively to reduce the Federal debt held by the public.

Amend the title so as to read: ''An Act to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes.''

Mr. MOYNIHAN. Mr. President, a little background. In 1906, President Theodore Roosevelt sent a proposal to Congress to impose an estate tax. He justified the measure as follows. He said:

> A heavy progressive tax upon a very large fortune is in no way a tax upon thrift or industry as a like tax would be on a small fortune. No advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of the enormous fortunes which would be affected by such a tax; and as an incident to its function of revenue raising, such a tax would help preserve a measurable equality of opportunity for the people of the generations growing to manhood.

That is why we have an estate tax today. Congress had imposed such taxes in the 1800s, generally to fund wars, and indeed we had an income tax during the Civil War. When the need for such revenues eased, why these taxes, including the estate tax, were put aside. Theodore Roosevelt championed the enactment, on a number of times, of the measure that is in the code today. Over the years, the number of taxable estates, estate returns as a percentage of total deaths, has fluctuated, but not very much, from under 1 percent in 1935—which is the very depths of the depression of that decade—to a high of almost 8 percent in 1977, when we changed the tax to bring it back down. And the number of taxable estates today ranges between 1 percent and 2 percent, a level not that different from that of the depths of the depression.

If we make no changes to the tax rules in 2006, the percentage of taxable estates is projected to be lower than today because we raised the limit. The Joint Tax Committee projects that 1.82 percent of estates will be subject to tax. We are still within that very low historic level, that was run up after World War II, and which we brought

back down in 1977. It is not a principal source of Federal revenue. I think it generated $24 billion in 1998, which was 1.4 percent of Federal revenues. Absent change, it might rise to $42 billion in 2008—not even a doubling in 10 years.

The bill before the Senate, H.R. 8, the Death Tax Elimination Act, would repeal the tax in the year 2010. It moves about during the next 10 years, but then it stops altogether, at which point we deal with a revenue loss of $50 billion a year. Mr. President, $50 billion, even in this momentary glow of surpluses, is a large amount of money. That is half a trillion dollars in a decade. It is much more than we should ever give away before we see whether the surplus we are projecting will actually occur, and indeed for the social reasons that Theodore Roosevelt spoke about at the beginning of the century.

The Federal Government is not the only government that would be impacted by the legislation that has been sent us from the House. The estate tax provides revenue for our State governments as well. Under our Federal estate tax laws, States may enact an estate tax without increasing taxes on decedents' estates or their heirs. This is because the Internal Revenue Code provides a dollar-for-dollar reduction in Federal estate tax liability for each dollar collected by the State, up to certain limits. Almost every State has enacted such legislation, and States collect about one-quarter of all estate taxes. The Treasury Department reports that in 1997, the States collected $4.3 billion in estate taxes while the Federal Government collected $16.6 billion.

Repeal of the estate tax would eliminate this source of revenue for State governments. They have not been consulted in the matter, but I cannot imagine they would be enthusiastic.

Finally, we on the Senate Democratic side are concerned about the adverse effect the repeal could have on charitable contributions. We cannot be sure of it, but the Joint Tax Committee estimates that estates are expected to contribute $330 billion to charities over the next 10 years, a third of a trillion dollars.

The question of how much of these contributions would continue or what portion would disappear if we abolish this tax altogether cannot be stated with any confidence, but it is the large estates that contributed the bulk of the $330 billion; $190 billion comes from estates with values over $10 million. We know this as we look around us at the great foundations, some of which date from earlier in the century but others of which reflect the accumulation of wealth in new economic activities in our age, and the estate tax surely has an influence. It should not be the principal concern for us, but it is a fact of our society.

Accordingly, we propose a modification of the existing program whilst retaining the essential legislative measure. We can describe it in two numbers: $2 million and $4 million. Under our amendment, no estate with assets under $2 million would be subject to estate tax. No estate with a family-owned business or farm valued at less than $4 million would be subject to estate tax.

There are very few farms that could be described with even a measure of exaggeration as a family farm worth more than $4 million. New York State is a farming State. It always has been. Ray Christensen, the Special Assistant with the Department of Agriculture and Markets, estimates that our farms sell in the range of about $257,000. I cannot imagine those in Pennsylvania, just over our border, would be very different. They are nowhere near $4 million. I cannot imagine there is such a place, save a nominal farm kept for recreational purposes on the eastern end of Long Island or in the Hudson Valley.

Our proposal would increase the general exemption, which is applicable to all estates, to $1 million immediately—it is $675,000 today—and to $2 million by the year 2009. This would eliminate two-thirds of the approximately 50,000 estates currently subject to tax. In addition, our proposal would increase the exemption for family farms and family-owned businesses from $1.3 million to $2 million immediately and to $4 million by 2009. Our increase would eliminate the estate tax on virtually all family farms and 75 percent of the family-owned businesses.

The measure is costly but not extravagantly so. It costs $65 billion over 10 years, compared to $105 billion under the House proposal, which we have before us. This bill, as I said earlier this week—and I repeat to my esteemed friend, our chairman—should have been referred to the Finance Committee. It was not. The Senate will learn to its cost one day that the Finance Committee has jurisdiction over these matters because we have some competence in them, and not for nothing, for example, did we bring about the 1977 measures—I was then a member of the committee—to lower the estate tax which had commenced to reach almost 8 percent of estates, which is much higher than the historic average. We are back down to where we have been through the century.

I suggest, once again, that we ought to stay with a tax that has served us well. Nearly 100 years ago, Theodore Roosevelt urged adoption of a tax that would ''be aimed merely at the inheritance or transmission in their entirety of those fortunes swollen beyond all healthy limits.''

To conclude, I will ask permission to have printed in the RECORD the lead story in the New York Times business section, Business Day: ''Despite benefits, Democrats' Estate Tax Plan Gets Little Notice.'' It goes on, in a manner one is not accustomed to read in business sections, that:

> Small-business owners and farmers whose Washington lobbyists are ardent backers of a Republican-backed plan to repeal the estate tax seem largely unaware that—

The Democratic proposal—

> would exempt nearly all of them from the tax starting next year.

As against the measure we have from the House.

I will read one paragraph and then conclude:

> Two prominent experts on estate taxes said yesterday that the Democrats were offering a much better deal to small-business owners and farmers, because the relief under their bill would be immediate and the estate tax would be eliminated for nearly all of them.

That is a matter we might keep in mind. I ask unanimous consent that this article be printed in the RECORD.

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

[From the New York Times, July 13, 2000]

DESPITE BENEFITS, DEMOCRATS' ESTATE TAX PLAN GETS LITTLE NOTICE

(By David Cay Johnson)

Small-business owners and farmers whose Washington lobbyists are ardent backers of a Republican-backed plan to repeal the estate tax seem largely unaware what President Clinton—who has vowed to veto the Republican proposal—has said he would sign legislation that would exempt nearly all of them from the tax starting next year.

Business owners and farmers would be allowed to leave $2 million—$4 million for a couple—to their heirs without paying estate taxes under the plan favored by the President and the Democratic leadership in Congress. The Republican proposal, which passed the House last month with some Democrats' support and is being debated in the Senate this week, would be phased in slowly, with the tax eliminated in 2009.

Supporters of the Republican plan say the tax is so complicated that eliminating it is the only effective reform; they argue that the nation's growing wealth means more estates will steadily fall under the tax if it remains law on the Democratic proposal's terms.

Still, had the Democratic plan been law in 1997, the last year for which estate tax return data is available from the Internal Revenue Service, the estates of fewer than 1,300 owners of closely held businesses and 300 farmers would have owed the tax.

According to the data, 95 percent of the roughly 6,000 farmers who paid estate tax that year would have been exempted under terms of the Democrats' plan, as would 88 percent of the roughly 10,000 small-business owners who paid the tax.

Had the estate tax been repealed in 1997, as the Republicans now propose, more than half of the tax savings would have gone to the slightly more than 400 individuals who died that year leaving individual estates worth more than $20 million each.

Two prominent experts on estate taxes said yesterday that the Democrats were offering a much better deal to small-business owners and farmers, because the relief under their bill would be immediate and the estate tax would be eliminated for nearly all of them.

''The fact is that the Democrats are making the better offer—and I'm a Republican saying that,'' said Sanford J. Schlesinger of the law firm of Kaye, Scholer, Fierman, Hays & Handler in New York. With routine estate planning, he said, the $4 million exemption could effectively be raised to as much as $10 million in wealth that could be passed untaxed to heirs. Only 1,221 of the 2.3 million people who died in 1997 left a taxable estate of $10 million or more, I.R.S. data shows.

Neil Harl, an Iowa State University economist who is a leading estate tax adviser to Midwest farmers, said that only a handful of working family farms had a net worth of $4 million. ''Above that, with a very few exceptions, you are talking about the Ted Turners who own huge ranches and are not working farmers,'' he said.

Mr. Harl said he was surprised that farmers were not calling lawmakers to demand that they take the president up on his promise to sign the Democratic bill.

One reason for that may be that in leading the call for repeal of the tax, two organizations representing merchants and farmers—the National Federation of Independent Business and the American Farm Bureau Federation—have done little to tell members about the Democratic plan. Interviews this week with half a dozen people whom the two organizations offered as spokesmen on the estate tax showed that only one of them had any awareness of the Democratic proposal.

Officials of the business federation and the farm bureau said that in the event full repeal failed, they might push for approval of the Democratic plan. But both groups say outright repeal makes more sense.

''My concern is not over the Bill Gateses of the world,'' said Jim Hirni, a Senate lobbyist for the business federation. ''But we have to eliminate this tax, because it is too complicated to comply with the rules. Instead of further complicating the system, the best way is to eliminate the tax, period.''

A farm bureau spokesman, Christopher Noun, said that the Democrats' plan appeared to grant benefits that would erode over time. ''Farmers are not cash wealthy, they are asset wealthy,'' he said. ''And those assets are only going to continue to gain value over the years. So while some farmers may not be taxed now under the other plan—10 or 15 years out they will.''

Whether the proposal to repeal the tax dies in the Senate or is passed and then vetoed by the President, it will become a powerful tool for both parties in the fall elections. The Republicans will be able to paint themselves as tax cutters who would carry out their plans if they could just win the White House and more seats in Congress. The Democrats could try to paint the Republicans as the party that abandoned Main Street merchants and family farmers to serve the interests of billionaires.

A vote in the Senate could come as early as this evening.

At the grass roots, however, those who would benefit from any reduction in the scope of the estate tax take a much more pragmatic view of the matter.

''The whole reason I took up this cause is I do not want to see another small family business get into the situation we are in,'' said Mark Sincavage, a land developer in the Pocono Mountains of Pennsylvania whose family expects to sell some raw land soon to pay a $600,000 estate tax bill to the federal and state governments.

The independent business federation cited Mr. Sincavage's situation as an especially good example of problems the estate tax causes its members who are asset rich but short on cash. Facing similar circumstances is John H. Kearney, a Ford and Lincoln dealer in Ravena, N.Y., who said he ''got slammed pretty hard'' when his father died last year. Most of his father's $1.6 million estate was in land and the car dealership, said Mr. Kearney, who added that he dipped into savings intended for his children's education to pay the estate tax bill.

Neither Mr. Sincavage nor Mr. Kearney said he was aware of the Democrats' plan to roll back the tax.

But Mr. Kearney said his interest was in reasonable tax relief so that merchants and farmers could continue to nurture their businesses, not in helping billionaires.

''No part of me has any sympathy for people with more than $5 million,'' he said. ''Would I feel terrible if all they did was raise the exemption to $4 million or $5 million? I would say from my selfish standpoint that we have covered the small family farm and small business and thus we achieved what we wanted to achieve.

''But I would still be asking: Is it really a moral tax to begin with? And that's a point you can argue a hundred different ways.''

Carl Loop, 72, who owns a whole-sale decorative-plant nursery in Jacksonville, Fla., said he favored repeal, partly because estate tax planning was fraught with uncertainty.

''The complexity of it keeps a lot of people from doing estate planning because they don't understand it,'' Mr. Loop said. ''And they don't like the fact that they have to give up ownership of property while they are alive.''

Professor Harl, the Iowa State University estate tax expert, said that he had heard many horror stories about people having to sell farms to pay estate taxes. But in 35 years of conducting estate tax seminars for farmers, he added, ''I have pushed and pushed and hunted and probed and I have not been able to find a single cause where estate taxes caused the sale of a family farm; it's a myth.''

Mr. MOYNIHAN. Mr. President, I see that my esteemed chairman has risen. Accordingly, I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Delaware.

Mr. ROTH. Mr. President, the Senate Democrats have proposed an amendment as an alternative proposal to H.R. 8 known as the Death Tax Elimination Act of 2000.

In their alternative, my colleagues across the aisle continue to rely upon the concept of a ''unified credit'' against the death tax. Their $1 million unified credit does not equal H.R. 8's $1 million exemption. The math behind the Democratic alternative forces the families of the deceased to continue to pay the very high tax rate of 41 percent for even one dollar over their $1 million unified credit.

Now compare that to the reasonable 18 percent tax rate for the first dollar over our proposed $1 million exemption. H.R. 8's use of an exemption versus the Democratic alternative's use of a credit literally cuts the remaining tax rate in half or modest estates. In short, the Democratic alternative still has a ''cliff effect.'' If the total fair market value, based on the Internal Revenue's opinion as to the estate's highest and best use, happens to exceed the Democratic credit, then the family is immediately exposed to death tax rates 41 to 60 percent.

The Democratic alternative fails to take advantage of the lower estate tax rates currently provided in the tax code. Their increase in the unified credit to $1 million forces American families to still pay death taxes ranging from 41 to 60 percent.

While H.R. 8's use of the exemption would allow American families the benefit of the lower tax rates beginning at 18 percent until such time as all of the death taxes are eliminated.

I think through all of the debates, most if not all of my colleagues in the Senate would agree that the influences of a strong economy have created $1 million estates in American families who have never had to face these types of overwhelming tax burdens. Dozens of American cities continue to report that the average sales price for a single family home has climbed to more than $250,000. Their average homes are worth a quarter of a million dollars, by the time you add life insurance for husband and wife, 401(k)s and IRAs to the fair market value of their homes many American families could be facing the previously unknown burden of death tax.

Even though the Democratic alternative goes on to eventually increase the unified credit to $2 million by the year 2009, American families' life insurance, 401(k)s, IRAs, and other lifetime savings are exposed to death taxes beginning at 49 to 60 percent for every dollar above the credit.

In vast contrast, those same families would be shielded from all death taxes after 2009, under our proposed Death Tax Elimination Act, H.R. 8.

Additionally, the Democratic alternative attempts to target its proposed relief to family farms and small businesses by raising the family farm and small business deduction from $1.3 million per decedent to $2 million per decedent in the year 2001. Beginning in 2006 through 2009 the deduction would then be increased through a series of steps to $4 million per decedent.

First of all, I am concerned that under the Democratic alternative, only those estates with over 50 percent of the estate in small businesses would qualify for relief. Upon the detailed review of the 50 percent requirement it becomes obvious that their alternative has several complicated adjustments, which includes all gifts made to the spouse within 10 years of death. This fact alone makes this approach very limited.

In addition to the 50 percent requirement, the Democratic alternative requires that for ten years beyond the date of death, small business families shall have an additional estate tax imposed if the family must dispose of any

portion of the family owned business interest for such reasons as bankruptcy or foreclosure. The additional tax is a portion of what would have been owed without the small business exemption and the accrued interest from the date of death.

Second, I am also concerned about the complexity of this approach. The Democratic alternative would require the use of business appraisals and also the preparing and filing of extensive paperwork for up to 10 years beyond death.

After a couple of years of this targeted modest relief having been in effect, I have heard about how it is working. Based on what family farmers and small business folks are telling me in Delaware, I have some misgivings about whether this approach is taking care of most or all of the cases.

Since this complex provision was originally passed in the Taxpayer Relief Act of 1997, 902 estates have elected the current $1.3 million deduction available under the code. Our experience in the area of estate tax provisions leads us to believe that if the Internal Revenue Service challenges as many of the estate valuations as they do under similar provision then only about one-third of the estates that could elect under this provision would benefit under the Democratic alternative.

There are other significant differences between H.R. 8 and the Democratic alternative. H.R. 8 has painstakingly attempted to address multiple concerns in the rules under the generation skipping transfer tax provisions, in a sincere effort to make those rules less burdensome and less complex. Those technical rules, if violated by accident or otherwise generate an additional tax for violating the restriction against generation skipping transfers, by levying 55 percent tax over and above the 41 to 60 percent death tax already due and owing on the total value of the estate. The Democratic alternative does not address the much needed technical changes to general skipping transfer taxes.

Additionally, H.R. 8 has expanded the geographical limitations to qualified conservation easements. This is in recognition of the opportunity to further ease existing pressures to develop or sell environmentally significant land when families must raise funds to pay death taxes.

The Democratic alternative has not even considered this important issue nor has it attempted to advance the preservation of such land.

Now the Democratic leadership has repeatedly complained as to the expense associated with the Death Tax Elimination Act of 2000. But their own alternative is expecting a revenue loss of $64 billion over 10 years, roughly 60 percent of the revenue loss of H.R. 8. This is a $64 billion revenue loss that does not even protect those American families with simple homes, savings, insurance, qualified plans, and investments that do not include a farm or a business.

H.R. 8 repeals the whole estate and gift tax regime in 2010. But, because there are billions of dollars of assets previously untaxed, if the heirs sell any portion of the estate, capital gains taxes are then due and owing. Taxes are then paid at the right time, when the heirs convert the asset to cash. The tax is not collected on an arbitrary and traumatic event such as death. Nor is tax collected on an arbitrary valuation based on paper equity that has never been realized.

Moderately sized estates would be safeguarded from this capital gains tax exposure. The step up in basis is retained for all estates in an amount of up to $1.3 million per estate. In addition, transfers to a surviving spouse would receive an additional step up in the amount of $3 million. So a family could cumulatively receive a step up in basis of $5.6 million at the death of both husband and wife. This effectively protects moderately sized estates from both death tax and capital gain tax exposure.

The House passed the bill on a bipartisan basis with 65 Democrats voting in favor of repeal of the estate and gift taxes. Now is the Senate's opportunity to pass this bill on a bipartisan basis and send it to the President. It is my understanding this will be the only chance this year that we will have to pass this bill and repeal estate and gift taxes. If we fail, the bill dies. If we come together and vote in favor of the House bill—estate tax repeal that the Congress passed last year—it will go directly to the President for his signature.

This should not be a partisan issue.

Unfortunately, the White House has indicated its opposition to repeal of estate and gift taxes and has promised to veto this bill. With roughly $2 trillion of estimated non-Social Security surpluses over the next 10 years, I believe the approximately $105 billion cost of repealing estate and gift taxes to be well within reason—it is only about 5 percent of the projected non-Social Security surplus.

Taxpayers are taxed on their earnings during their lives at least once. Our Nation has been built on the notion that anyone who works hard has the opportunity to succeed and create wealth. The estate and gift taxes are a disincentive to succeed and should be eliminated. It is the right thing to do.

It has been said that there are only two certainties: death and taxes. The two are bad enough, but leave it to the Federal Government to find a way to make them worse by adding them together. This is probably the worst example of adding insult to injury ever devised. Yet Washington perpetuates over and over again on hard working families who have already paid taxes every day they have worked.

The Democratic alternative fails to address the needs of the American people. Therefore I urge my colleagues to support the majority leader and vote for H.R. 8.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I yield to Senator BAUCUS whatever time he may consume.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I will start by complimenting the two leaders. Yesterday at this time, we were facing a likely cloture petition which would have severely limited debate on different amendments. We finally reached agreement on a certain number of amendments. It is good we have crossed that bridge and are now on the bill.

Some of the amendments that are going to be offered today may be adopted—some may not—but at least they will all improve the bill. We will have an open debate on them, and that allows the American people to have a better opportunity to determine what makes sense and what does not. Again, I congratulate the leaders.

The House bill still raises many serious questions that deserve careful consideration. I will name a few.

One is the impact of the House bill across various income levels, something that has really not been discussed. How does it affect one income level versus another income level versus the highest income levels in America?

Another is the new rules that maintain the carryover basis of certain inherited assets. What is all that about? It is kind of technical. The fact is, under the House bill—remember, the House bill doesn't repeal the estate tax until 10 years after enactment—there is not much relief in the first 10 years. But after 10 years, after the estate tax is repealed, many assets will no longer have a stepped up basis but instead have a carryover basis.

What does someone who inherits an asset and wants to then dispose of that asset have to do? He or she cannot just figure out how much tax is owed by using the ordinary market value when it was inherited, which presumably is quite a bit higher than when it was bought. Rather, he or she has to use the carryover basis from when the asset was first acquired with whatever adjustments were made in the meantime. This is usually much lower. And it is awfully technical.

The net effect is twofold: One is that people who receive an inheritance, under the House bill, are going to suddenly face a much higher capital gains tax if and when they want to dispose of

it than they would under current law. Under current law, again, it is called a stepped-up basis. The net effect is a much lower capital gains tax when the asset might otherwise be sold.

All you folks who think, boy, this House bill is going to repeal the estate tax, beware. It does not really repeal the estate tax. What it does is say that 10 years later, when you get that asset, if you want to do anything with it, if you want to sell it, want to realize the value of it, you will pay a whopping capital gains tax, much higher than you would otherwise pay under current law.

The second problem with that is the complexity of the paperwork. Let's assume the House bill passes. After 10 years —you are a person who receives inheritance from an estate. If you have to go back and figure out what the basis of all the assets are, some assets may have been acquired by the decedent 5 years earlier, 10 years earlier, maybe 20 years earlier, maybe 30 years earlier. The basis may have to be carried over for generations. If you have to stop and find the paperwork, find the data which determines what the cost was of that asset from who knows how many years ago, that is a huge change from current law. It will cause undue complexity.

A lot of people in this body correctly complain about the complexity of the Tax Code. That is a valid complaint. If the House bill passes, the additional complexity that this body will impose on taxpayers is going to be beyond imagination. When this Congress did the same thing about 24 years ago, in 1976, guess what happened. Our own constituents raised a huge outcry. What did we do in the Congress? We agreed with our folks.

We ended up repealing carryover basis before it even took effect. I don't think many people have focused on it, but that same provision is in the House bill right now, the bill we have before us.

Then there is the effect of the House bill on charitable giving, when the estate tax is totally repealed on down the road after 10 years. I have talked to a lot of estate tax attorneys—reasonable people, good, solid estate tax attorneys. They say: Max, if you pass a total repeal, I guarantee you there will be a huge drop in charitable contributions in America—huge. It stands to reason.

Think of some taxpayers who have been in the news a lot, some Americans who have huge estates. We see in the news that they are giving a lot to charity. I am sure a lot of those folks are giving to charity out of the goodness of their hearts, for good, solid altruistic reasons. I am also confident that a lot of people with wealth give to charity because under current law, it benefits them; those charitable contributions are deductible. They would far rather give to a charity than to Uncle Sam. They would rather give to their children first, but they would rather give to a charity than Uncle Sam.

I think you are going to see a huge drop in charitable contributions if this House-passed bill the majority party is pushing is enacted into law. At the very least, we never had hearings on this. We really don't know what effect it will have on charitable contributions. We really don't know what real effect repeal of the stepped-up basis and moving over to the carryover basis can have either. We can surmise. I don't hear the majority talking about those issues much, which leads me to the conclusion that there is probably more of a problem with these issues than they want people to believe. What our best guess of the effect? We could determine it best if we had hearings, but there have been no hearings on Federal estate taxes in this Congress—none in the Senate.

I won't belabor the point. I think it is just basic things we should be thinking about before we rush to passage of the House-passed bill. Let's move on to the substance. Remember, under current law, the estate tax applies to estates worth more than $675,000. That is the law. That amount is scheduled to rise to $1 million in the year 2006. In addition, we have special rules that increase the exemption for family-held businesses to $1.3 million. That is current law.

To put this in perspective, next year it is expected that about 2.5 million Americans will die. Of those 2.5 million, roughly 50,000 will have estates that will pay an estate tax under current law. That is 2 percent. I will repeat that because it is worth remembering. Of the number of people who will die this year, about 2 percent of those people will have estates subject to estate tax. So 98 percent of Americans who die will not have estates that are subject to the estate tax. That is current law.

With this basic picture in mind, today's debate presents two separate alternatives, two ways to reform the estate tax. There is the House-passed bill and there is the Democratic alternative.

Let's look at the House bill. What does it do? It works in two steps. Over the first 9 years, it gradually reduces estate tax rates down to a top rate of about 40 percent. How does it do it? Really, it doesn't reduce taxes very quickly during that 9 years because the first year the only things that are actually repealed are the top rate, which is 55 percent, and the surtax. During that time other modest cuts are made. Then the next year, the 53 percent rate is repealed, and then on down. Then in the final year, you get total repeal. The bill waits a full 10 years after enactment before it completely repeals the estate tax. That is when the real effect of the House bill is felt. It is not in the first 10 years but after total repeal, after 10 years.

At the same time, the House bill imposes a new requirement. When full repeal goes into effect, people who inherit estates worth more than certain amounts must maintain what tax lawyers call the ''carryover basis'' of inherited assets. I discussed that a few minutes ago. That, in a nutshell, is the House bill.

The Democratic alternative takes a different approach. It does two things—very simple but effective. First, we dramatically increase the amount that is exempt from estate tax. Currently, as I mentioned, it is $675,000. We increase the per person exemption to $1 million per spouse right away. A few years later, we begin to increase it again, until it reaches $2 million. For a couple, that is a $4 million exemption right across the board.

Second, we increase the family-owned business exclusion to $4 million per spouse. For a couple, it is $8 million.

Those are the two alternatives.

When you compare them, it should be pretty clear the Democratic alternative has two important virtues. First, the Democratic alternative provides dramatic relief, while the Republican bill does not. And it provides dramatic relief where it is needed the most—small businesses, family-held farms and ranches.

In the first year, we would exempt over 40 percent of the estates that are currently subject to an estate tax. Not the House bill, the majority proposed bill; it actually would affect very few people in the first year and it wouldn't exempt anyone from the tax. The Democratic alternative would exempt 40 percent. In fact, ours contains much more relief for estates in this range than the House bill would begin to provide.

Over the longer term, when the provisions take full effect, the Democratic alternative exempts more than two-thirds of all estates. Remember, of all the people who die in America, only 2 percent are subject to estate tax in the first place. The Democratic alternative exempts two-thirds of all those; that is, two-thirds of the 2 percent. It would also exempt three-quarters of all small businesses that might otherwise be paying tax, and 95 percent of all farms and ranches that would have to pay the estate tax under current law.

In contrast, the House-passed bill doesn't go nearly that far. It provides very little relief to these estates for the first 10 years. Granted, eventually it provides total relief, but that is 10 years from now, not in the interim. In 2010 the Republican bill repeals the tax completely, including estates worth not only $2 million or $3 million, or family businesses up to $8 million, but it also repeals the estate tax for huge estates—$100 million estates, $1 billion

estates, $5 billion estates. It totally repeals any tax whatsoever on estates of that size.

Yesterday, I spoke in opposition to the House bill, and Senators THOMAS and INHOFE expressed a little surprise. They said when they talk to ordinary folks in their home States, they hear a lot about the estate tax, and people want reform. They wondered whether I was hearing the same in my State of Montana. I sure am, all the time—in coffee shops, in grocery stores, lots of people talk to me. They think it hits too hard on farms, ranches, and small businesses. That is precisely the point. The House bill responds to these with an abstraction—repeal, 10 years from now.

The Democratic alternative says, no, we are not going to wait 10 years; we are going to do it now. We respond with honest-to-goodness relief. I am sure there is somebody in Montana with an estate worth more than $8 million who will still have to pay some estate tax under the Democratic alternative. But there sure aren't many of them.

Remember, the vast majority of the estates are either not affected by the tax now or, if they are, would be completely exempt under the Democratic alternative. One other virtue of the Democratic alternative is it costs much less than the House bill, $40 billion less over 10 years. After that, the savings are even greater.

As a result, the Democratic alternative allows us not only to reform the estate tax in a way that helps where it is needed the most, but it also allows us to address other priorities that, frankly, are more important than total repeal of the estate tax, particularly for huge estates.

For example, what about the national debt? The Democratic alternative leaves an additional $40 billion available to pay down the national debt. Or we could use the savings to provide tax cuts to meet other important needs; help average families save for retirement or their kids' college education, or help people meet long-term medical care costs; protect Social Security and Medicare.

Believe me, these are good things that we hear about at home all the time. I believe that more people are more concerned about these matters than they are about total repeal of the estate tax, particularly for large estates.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2001—Resumed

The PRESIDING OFFICER. Under the previous order, the time has arrived to proceed to the next order of business.

The Senator from Delaware.

Mr. ROTH. Mr. President, I ask unanimous consent that the next votes in the series be limited to 10 minutes each.

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

Mr. REID. The first vote will be 15 minutes and thereafter 10 minutes. We agree.

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

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2549) to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

Pending:

Feingold pending amendment No. 3759, to terminate production under the D5 submarine-launched ballistic missile program.

Durbin Amendment No. 3732, to provide for operationally realistic testing of National Missile Defense systems against countermeasures; and to establish an independent panel to review the testing.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, it is my understanding that under the order we will now proceed to two votes. I recommend to the Senate that we proceed to the Feingold vote first.

The PRESIDING OFFICER. The Senator is correct.

Mr. WARNER. Second, to the vote on the amendment of the distinguished Senator from Illinois.

At this time, I believe we have 2 minutes for those in opposition. But in deference to the proponents, we are willing to hear from the proponents first.

They are not going to use it.

Then I yield 2 minutes to the distinguished chairman of the Subcommittee on Strategic Forces.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, the Feingold amendment would undermine the U.S. sea-based deterrent force by killing the Trident D–5 missile program. Such a decision would cut the Navy's requirement short by 53 missiles resulting in the deployment of three fewer submarines that DOD currently believes are required.

I move to table the amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

Mr. BYRD. Mr. President, will the Chair kindly tap the gavel a little bit to clear the well?

The PRESIDING OFFICER. Senators will clear the well. The Senate will be in order. The clerk will not proceed until Senators clear the well.

Mr. BYRD. Mr. President, I thank the Chair.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Maryland (Ms. MIKULSKI) is necessarily absent.

The result was announced—yeas 81, nays 18, as follows:

[Rollcall Vote No. 177 Leg.]

YEAS—81

Abraham	Dodd	Lugar
Akaka	Domenici	Mack
Allard	Edwards	McCain
Ashcroft	Enzi	McConnell
Baucus	Feinstein	Moynihan
Bayh	Fitzgerald	Murkowski
Bennett	Frist	Nickles
Biden	Gorton	Reed
Bingaman	Graham	Robb
Bond	Gramm	Roberts
Breaux	Grams	Roth
Brownback	Gregg	Santorum
Bryan	Hagel	Sarbanes
Bunning	Hatch	Schumer
Burns	Helms	Sessions
Byrd	Hollings	Shelby
Campbell	Hutchinson	Smith (NH)
Chafee, L.	Hutchison	Smith (OR)
Cleland	Inhofe	Snowe
Cochran	Inouye	Specter
Collins	Kennedy	Stevens
Conrad	Kerry	Thomas
Coverdell	Kyl	Thompson
Craig	Landrieu	Thurmond
Crapo	Levin	Torricelli
Daschle	Lieberman	Voinovich
DeWine	Lott	Warner

NAYS—18

Boxer	Jeffords	Lincoln
Dorgan	Johnson	Murray
Durbin	Kerrey	Reid
Feingold	Kohl	Rockefeller
Grassley	Lautenberg	Wellstone
Harkin	Leahy	Wyden

NOT VOTING—1

Mikulski

The motion was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3732

Mr. WARNER. Mr. President, under the previous order, we will now proceed to the amendment by the Senator from Illinois. At such time as he concludes his portion of the 2 minutes, I yield my time to the senior Senator from Mississippi, Mr. COCHRAN.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Illinois. The time is 2 minutes, equally divided.

The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, can I have order in the Chamber?

The PRESIDING OFFICER. The Senate will come to order.

Mr. DURBIN. Mr. President, this amendment which we offer is one that was debated last night on the floor of the Senate. It is very straightforward. If we are to go forward with a national missile defense system, we should have honest, realistic testing, including testing for countermeasures so we can say to the American people: Your money is being well spent; so we can say to them: If this is a source of security and defense for America, it is one that will work and function.

Some have looked at my amendment and said it must be critical of the system because DURBIN has questioned the system in the past. I presented, during the course of the debate last night, a letter from the Director of Testing and Evaluation in the Department of Defense, Mr. Philip Coyle, in which he writes to me and says:

This letter is to support your effort to reinforce the need for realistic testing of the National Missile Defense System.

It is very clear to the Pentagon, as it is to those who listened to the debate last night, that this is not a friendly amendment nor an amendment that sets out to end the national missile defense system. This is an amendment which asks for the facts and asks for the reality. I hope Senators will support it.

Mr. DASCHLE. Mr. President, I come to the floor this morning to voice my support for perhaps the most important amendment—on one of the most important bills—the Senate will consider this year.

National missile defense is one of the most critical defense issue facing this nation.

It is probably one of the more politically charged issues as well.

Despite political sensitivity and, frankly, political risk, Senator DURBIN has looked carefully at the facts, and at the arguments on all sides of this issue. His amendment reflects a balanced measured approach that I believe should be endorsed by both supporters and opponents of a missile defense system.

The Senate should adopt the Durbin amendment for two reasons: What it doesn't say. And what it does say.

What the amendment doesn't say is whether a missile defense system is a good idea, or a bad idea.

Frankly, I believe we do not have enough information yet to make that call. The Durbin amendment actually presumes a NMD system will be deployed. But it does not address the issue of whether it should be deployed.

What the Durbin amendment does say, it says well. Simply put, this amendment says that before we commit $60 billion—or more—to deploy a national missile defense system, we must be confident the system will work. Nothing more, nothing less. Americans have a right to know that their tax dollars aren't being wasted on a system that cannot work. And we have a responsibility to provide them with that assurance.

The Durbin amendment says that before a national missile defense system can be declared operational, the system must be tested against measures our enemies can be expected to take to defeat it, and the Secretary of Defense must prepare a report for Congress on the ability of the NMD system to defeat these countermeasures.

The amendment also reconvenes the Welch panel, an independent review panel chaired by General Welch, to assess countermeasure issues and deliver a report on findings to both the Defense Department and the Congress.

Why are such assurances needed?

Deployment of a national missile defense system would signal a dramatic change in the deterrent strategy this Nation has followed successfully for over 40 years. Moving to new strategy dependent on defenses is not without risks.

Missle defense deployment requires enormous public commitment—not unlike our effort to put a man on the Moon.

While success can never be guaranteed, American people have a right to know that success is possible—before we commit $60 billion, or more, to it.

The President must have confidence the system will work. Also, critically important, our adversaries must know a national defense system will work.

A deterrent is not effective if enemies can be confident it may not, or will not, work. If tests demonstrate for the world that the United States has a strong missile defense system, our adversaries are much less likely to want to test our defenses.

Another reason assurances are needed: Increasing number of studies that raise questions about whether current missile defense testing program can provide future leaders with adequate level of confidence.

Philip Coyle III, the Pentagon's Director of Operational Testing and Evaluation, issued a report to Congress earlier this year. The report concluded the pre-deployment tests will not be conducted ''in a realistic enough manner to support acquisition decisions.''

A recent report by MIT found that relatively simple countermeasures could defeat the planned NMD system—and that current testing is not capable of evaluating the operational effectiveness of the system against likely countermeasures. This is a critical deficiency.

Technical experts warn that any emerging ''missile state'' that is capable of deploying a long-range ballistic missile is also capable of building countermeasures that could defeat a NMD system.

The intelligence community released a report last year on ''Foreign Missile Development and the Ballistic Missile Threat to the United States through 2015.'' The report warned that emerging ''missile states'' could develop countermeasures such as decoy balloons by the time they flight test their first long-range missiles.

They could also acquire countermeasure technologies from Russia and China—both of whom possess such technologies, and both of whom strongly oppose a U.S. NMD system.

Reasons to oppose amendment? I can think of only one reason to oppose this amendment: Belief that we should deploy an NMD system at any cost. Regardless of whether the system can work. Regardless of the cost to American taxpayers. Regardless of the effects deployment could have on our relationships with our allies. Regardless of how it might escalate an international nuclear arms race. Regardless of everything.

I understand that there are some who feel this way. Frankly, I cannot understand this sort of thinking. They wouldn't buy a car before test-driving it. Why in the world would they buy a $60 billion defense system before knowing that it can work?

A missile defense system that undermines our Nation politically, economically, and strategically—without strengthening our defense—is no defense at all.

The American people have a right to know that—if we deploy a national missile defense system—it will work. The Durban amendment will take a big step toward providing them with that assurance. We should adopt it.

Mr. MOYNIHAN. Mr. President, 50 Nobel laureates signed an open letter to President Clinton on July 6, 2000, urging him to reject a proposed $60 billion missile defense system. I ask that the letter may be printed in the RECORD.

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

JULY 6, 2000.

PRESIDENT WILLIAM JEFFERSON CLINTON,
The White House, Washington, DC.

DEAR MR. PRESIDENT: We urge you not to make the decision to deploy an anti-ballistic missile system during the remaining months of your administration. The system would offer little protection and would do grave harm to this nation's core security interests.

We and other independent scientists have long argued that anti-ballistic missile systems, particularly those attempting to intercept reentry vehicles in space, will inevitably lose in an arms race of improvements to offensive missiles.

North Korea has taken dramatic steps toward reconciliation with South Korea. Other dangerous states will arise. But what would such a state gain by attacking the United States except its own destruction?

While the benefits of the proposed anti-ballistic missile system are dubious, the dangers created by a decision to deploy are clear. It would be difficult to persuade Russia or China that the United States is wasting tens of billions of dollars on an ineffective missile system against small states that are unlikely to launch a missile attack on the U.S. The Russians and Chinese must therefore conclude that the presently planned system is a stage in developing a bigger system directed against them. They may respond by restarting an arms race in ballistic missiles and having missiles in a dangerous ''launch-on-warning'' mode.

Even if the next planned test of the proposed anti-ballistic missile system works as planned, any movement toward deployment would be premature, wasteful and dangerous.

Respectfully,

Sidney Altman, Yale University, 1989 Nobel Prize in chemistry.

Philip W. Anderson, Princeton University, 1977 Nobel Prize in physics.

Kenneth J. Arrow, Stanford University, 1972 Nobel Prize in economics.
Julia Axelrod, NIH, 1970 Nobel Prize in medicine.
Baruj Benacerraf, Dana Farber Cancer Inst., 1980 Nobel Prize in medicine.
Hans A. Bethe, Cornell University, 1967 Nobel Prize in physics.
J. Michael Bishop, University of Calif., San Francisco, 1989 Nobel Prize in medicine.
Nicolaas Bloembergen, Harvard University, 1981 Nobel Prize in physics.
Paul D. Boyer, UCLA, 1997 Nobel Prize in chemistry.
Steven Chu, Stanford University, 1997 Nobel Prize in physics.
Stanley Cohen, Vanderbilt University, 1986 Nobel Prize in medicine.
Leon N. Cooper, Brown University, 1972 Nobel Prize in physics.
E. J. Corey, Harvard University, 1990 Nobel Prize in chemistry.
James W. Cronin, University of Chicago, 1980 Nobel Prize in physics.
Renato Dulbecco, The Salk Institute, 1975 Nobel Prize in medicine.
Edmond H. Fischer, Univ. of Washington, 1992 Nobel Prize in medicine.
Val L. Fitch, Princeton University, 1980 Nobel Prize in physics.
Robert F. Furchgott, Suny Health Science Ctr., 1998 Nobel Prize in medicine.
Murray Gell-Mann, Santa Fe Institute, 1969 Nobel Prize in physics.
Ivar Giaever, Rensselaer Polytechnic Institute, 1973 Nobel Prize in physics.
Walter Gilbert, Biological Laboratories, Cambridge, Mass., 1980 Nobel Prize in chemistry.
Sheldon L. Glashow, Boston University 1999 Nobel Prize in physics.
Roger C. L. Guillemin, The Salk Institute, 1977 Nobel Prize in medicine.
Herbert A. Hauptman, The Medical Foundation of Buffalo, 1985 Nobel Prize in chemistry.
Dudley R. Herschbach, Harvard University, 1986 Nobel Prize in chemistry.
Roald Hoffman, Cornell University, 1981 Nobel Prize in chemistry.
David H. Hubel, Harvard University, 1981 Nobel Prize in medicine.
Jerome Karle, Naval Research Laboratory, 1985 Nobel Prize in chemistry.
Arthur Kornberg, Stanford University, 1959 Nobel Prize in medicine.
Edwin G. Krebs, University of Washington, 1992 Nobel Prize in medicine.
Leon M. Lederman, Illinois Institute of Technology, 1988 Nobel Prize in physics.
Edward B. Lewis, Caltech, 1995 Nobel Prize in medicine.
Rudolph A. Marcus, Caltech, 1992 Nobel Prize in chemistry.
Franco Modigliani, MIT, Sloan School, 1985 Nobel Prize in economics.
Mario Molina, MIT, 1995 Nobel Prize in chemistry.
Marshall Nirenberg, NIH, 1968 Nobel Prize in medicine.
Douglas D. Osheroff, Stanford University, 1996 Nobel Prize in physics.
Arno A. Penzias, Bell Labs, 1978 Nobel Prize in physics.
Martin L. Perl, Stanford University, 1995 Nobel Prize in physics.
Norman F. Ramsey, Harvard University, 1989 Nobel Prize in physics.
Burton Richter, Stanford University, 1976 Nobel Prize in physics.
Richard J. Roberts, New England Biolabs, 1993 Nobel Prize in medicine.
Herbert A. Simon, Carnegie-Mellon Univ., 1978 Nobel Prize in economics.
Richard R. Smalley, Rice University, 1996 Nobel Prize in chemistry.
Jack Steinberger, CERN, 1988 Nobel Prize in physics.
James Tobin, Yale University, 1981 Nobel Prize in economics.
Daniel C. Tsui, Princeton University, 1998 Nobel Prize in physics.
Steven Weinberg, University of Texas, Austin, 1979 Nobel Prize in physics.
Robert W. Wilson, Harvard-Smithsonian, Ctr. for Astrophysics, 1978 Nobel Prize in physics.
Chen Ning Yang, Suny, Stony Brook, 1957 Nobel Prize in physics.
Owen Chamberlain*, University of California, Berkeley, 1959 Nobel Prize in physics.
Johann Diesenhofer*, University of Texas Southwestern Medical Center, 1988 Nobel Prize in chemistry.
Willis E. Lamb, Jr.*, Stanford University, 1955 Nobel Prize in physics.
*These laureates signed the letter within hours after the letter was delivered to the White House.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, the Durbin amendment is unnecessary. It purports to direct the manner and details of a missile testing program that the Secretary of Defense is committed to conduct already.

This amendment is an unprecedented effort by the Senate to micromanage a weapons system testing program. In no other program has the Senate tried to legislate in this way to dictate to DOD how a classified national security testing program should be conducted.

The directions to DOD in this amendment are vague. They would inevitably lead to confusion and unnecessary delays in the development of this complex, but very important, capability to defend our Nation against a serious threat. I urge the Senate to reject this amendment.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 52, nays 48, as follows:

[Rollcall Vote No. 178 Leg.]

YEAS—52

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Chafee, L.	Hutchinson	Specter
Cochran	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner
Enzi	McCain	
Fitzgerald	McConnell	

NAYS—48

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Lincoln
Biden	Graham	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Jeffords	Reid
Byrd	Johnson	Robb
Cleland	Kennedy	Rockefeller
Collins	Kerrey	Sarbanes
Conrad	Kerry	Schumer
Daschle	Kohl	Snowe
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

The motion was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. S. 2549 is now considered read a third time.

The Senate will now proceed to H.R. 4205. The text of S. 2549 is substituted therefore, and the bill is considered read a third time.

AMENDMENT NO. 3753

Mr. ROCKEFELLER. Mr. President, I am pleased that the Senate has taken an important step toward protecting the lives and property of all Americans with the passage of the Firefighter Investment and Response Enhancement Act. I am proud today to join with Senators DODD and DEWINE as a cosponsor of this legislation. I wish to thank Senator DODD and Senator DEWINE for the leadership and effort they have shown on behalf of the men and women serving as firefighters across the nation. I would also like to commend the many other Senators who already have signed on as cosponsors of this important legislation.

The Firefighter Investment and Response Enhancement Act seeks to address the enormous amount of fiscal need faced by our nation's fire departments, both paid and volunteer, and does so with an eye to the human costs incurred by both firefighters and the general public these brave men and women protect every day. Every year, more than 4,000 people are killed and 24,000 are injured by fire in the United States. Sadly, about 660 of those killed each year are children. One hundred of the individuals who lose their lives to fire each year are firefighters, the very men and women who are fighting to protect others. Many of these deaths and injuries could be avoided by simply using the technology and equipment that while currently available, is often so expensive that fire departments are unable to purchase it. Similarly, many of the deaths and injuries could be avoided with increased efforts at fire prevention and training. Fire departments in many of our towns and cities spend the bulk of their entire budgets on administrative costs and compliance with existing safety regulations, and can simply not afford the available

safety equipment and training. As a consequence, far too many volunteer firefighters and EMTs are forced to pay for their own training because their departments simply do not have enough money to have them trained.

West Virginia fire departments share in this enormous need for additional funding. There are about 16,000 firefighters in West Virginia serving in 437 fire departments. Virtually every one of those departments are underfunded. West Virginians were forced to cope with almost $73 million of property damage due to fires in 1999. More importantly, 45 civilians were killed and two firefighters were killed in the line of duty. Much of the loss of life and property, and many of these injuries could have been avoided if fire departments had the funds to deal with emergencies as effectively as possible and to establish prevention programs.

Over the past few months, my state has grieved the tragic loss of two firefighters whose deaths may well have been prevented if their departments had access to grants available under S. 1941. Angelo ''Wayne'' Shrader, a firefighter with the East River Volunteer Fire Department, in Princeton, WV, who also worked as a Communicator with the Mercer County ''911'' service, died as a result of injuries incurred fighting a fire as part of an understaffed local fire department. Similarly, Fire Lieutenant Robbie Brannon, of the City of Bluefield Fire Department, died as the result of injuries, including a heart attack, he suffered fighting a residential fire with a crew short two firefighters because of budget constraints. I humbly join with colleagues on both sides of the aisle today in honor of the bravery and sacrifice of Wayne Shrader and Robbie Brannon, and the many firefighters in West Virginia and across the nation who continue to protect us each day.

Like fire departments all across the country, West Virginia fire departments do receive support from State and local governments. Unfortunately, it is simply not enough. Indeed, fire departments in West Virginia are just like those in every other state, with equipment and personnel needs requiring substantial additional funding. Equipment such as thermal imaging cameras would be a tremendous aid to firefighters and could result in lives being saved, but such equipment is very expensive. Similarly, new and technologically advanced fire engines would be an enormous help to fire departments and the towns and cities they serve. Unfortunately, with current funding levels, most fire departments cannot upgrade their equipment and many must raise funds themselves just to fuel the antiquated vehicles many must still keep in service.

However, the greatest need fire departments in West Virginia have is the need for increased training. Additional training would be an invaluable resource to fire departments across the state. There simply is not enough money available. Three years ago, the projected five-year need for the fire departments in Raleigh County, West Virginia, alone was $14 million. While the Firefighter Investment and Response Enhancement Act would not cover that entire need, it would be a tremendous aid to fire departments as they attempt to meet their various needs.

For many years, fire departments and firefighters across the nation have simply dealt with funding shortfalls, and yet have managed to protect our communities despite the limited resources available to them. However, we cannot expect these miracles to be performed any longer. Bake sales and bingo can only pay for so much. It is vital that the federal government become involved. The men and women serving as firefighters play an important role in the quality of life in our communities, and it is high time Congress recognizes their contribution. It is our responsibility to provide adequate funding sources to keep firefighters from facing dangers that could be mitigated or eliminated though better training, the availability of state-of-the-art equipment, and the implementation of fire prevention programs.

The Firefighter Investment and Response Enhancement Act provides a portion of this much-needed relief. The legislation authorizes $1 billion to be distributed by FEMA to fire departments across the nation on a competitive basis. No more than ten percent of this money is to be used for administrative costs. This assures that the money is really getting to the fire departments that so desperately need help. Further, at least ten percent of the funds are to be used to establish vital fire prevention programs to stop fires before they start. The remaining appropriations will be available on a competitive basis to address a wide variety of needs faced by fire departments across the nation. This allows money to be used for the most desperate needs of individual departments.

It is past time that we provide some relief to our nation's brave firefighters who have managed to get by on far too little for far too long. Once again, I commend the Senate for taking this action on behalf of our nation's firefighters. I also wish to thank Senator DODD and Senator DEWINE for sponsoring this legislation to supply a portion of that much-needed aid. Little that we do may be as immediately important as the help we should act quickly to provide our fire departments. By helping our nation's fire departments, we are truly helping everyone.

Mr. LEVIN. Mr. President, I rise as an original co-sponsor of the Domenici Nuclear Cities amendment and to note that this important amendment was unanimously agreed to by the Senate.

The Russian nuclear weapons complex is a vast collection of highly secret closed cities. This complex is far larger and has significantly more capability to produce nuclear weapons than the U.S. nuclear weapons complex. Just over two years ago, the Department of Energy was presented with a unique opportunity to help Russia significantly reduce this complex, including the opportunity to close 2 of the three Russian nuclear weapons assembly facilities.

The DOE through its nuclear cities initiative has been working closely with its Russian counterpart, the Russian Ministry of Atomic Energy, known as MinAtom, to reduce the size of the Russian nuclear complex by 50 percent. DOE started this effort just over two years ago, and while it took a while to get off the ground, the Nuclear Cities Program has begun to demonstrate real progress.

This amendment would direct the Secretary of Energy to expand and accelerate the activities under the Nuclear Cities Program and further assist Russia in downsizing its nuclear weapons complex. To help with this effort the amendment will provide an additional $12.5 million over the current $17 million authorized in the bill. Compared to the overall defense budget this is a small amount but an amount that can help reduce the Russian nuclear weapons complex.

This amendment directs the U.S. DOE and MinAtom, to enter into an agreement to establish a plan, with milestones, to consolidate the Russian nuclear weapons complex. In addition, MinAtom must agree, in writing, to close some of its nuclear weapons facilities, before the additional $12.5 million can be spent.

We have a unique opportunity to further U.S. national security interests by closing some of the Russian nuclear weapons facilities. While the full burden to downsize the Russian complex remains a Russian obligation we can and should help. It is important to improve and further our relationship with Russian at all levels. The Nuclear Cities program provides many benefits to the U.S. and to Russia. The U.S. should grab this opportunity. In the future, Mr. President, I would like to see the program expanded further; this amendment is a good first step.

Mr. MCCAIN. Mr. President, I rise today in support of S. 2549, the National Defense Authorization Act for FY 2001. Included in the bill that passed today are several amendments that will significantly improve the lives of active duty members, reservists, military retirees, veterans, and their families.

These amendments greatly improved the version of the bill that came out of the Armed Services Committee. I had

voted against reporting the bill out of the Committee because it did not include important measures for military personnel and neglected the issue of defense reform.

The critical amendments that were included in the legislation that passed today will: remove servicemembers from food stamps; increase pay for mid-grade Petty Officers and Non-Commissioned Officers; assist disabled veterans in claims processing; restore retirement pay for disabled military retirees; provide survivor benefit plan enhancements; authorize a low-cost life insurance plan for spouses and their children; enhance benefits and retirement pay for Reservists and National Guardsmen; authorize back-pay for certain WWII Navy and Marine Corps Prisoners of War; and provide for significant acquisition reform by eliminating domestic source restrictions on the procurement of shipyard cranes.

One of the areas of greatest concern among military retirees and their families is the ''broken promise'' of lifetime medical care, especially for those over-age 65. While the Committee had included some key health care provisions, it failed to meet the most important requirement, the restoration of this broken promise.

With severe recruitment and retention problems still looming, we must better compensate our mid-grade enlisted servicemembers who are critical to leading the junior enlisted force. We have significantly underpaid enlisted servicemembers since the beginning of the All-Volunteer Force. The value of the mid-grade NCO pay, compared to that of the most junior enlisted, has dropped 50 percent since the All-Volunteer Force was enacted by Congress in 1973. This pay provision for the mid-grade enlisted ranks, up to $700 per year, plus the food stamp pay provision of an additional $180 per month for junior enlisted servicemembers, provides a significant increase in pay for enlisted servicemembers.

The National Guard and Reserves have become a larger percentage of the Total Force and are essential partners in a wide range of military operations. Due to the higher deployment rates of the active duty forces, the Reserve Components are being called upon more frequently and for longer periods of time than ever before. We must stop treating them like a ''second-class'' force.

I would like to emphasize the importance of enacting meaningful improvements for our servicemembers, their families and their survivors. They risk their lives to protect our freedom and preserve democracy. We should compensate them adequately, improve the benefits to their families and survivors, and enhance the quality of life for the Reserves and National Guard in a similar manner as the active forces.

Each year the number of disabled veterans appealing their health care cases continues to increase. It is Congress' duty to ensure that the disability claims process is less complex, less burdensome, and more efficient. Likewise, we should restore retirement pay for disabled military retirees.

I would also like to point out that this year's defense authorization bill contained over $1.9 Billion in pork—unrequested add-ons to the defense budget that robs our military of vital funding on priority issues. While this year's total is less than previous years' it is still $1.9 Billion too much. We need to, and can do better. I ask that the detailed list of Pork on this bill be included in the CONGRESSIONAL RECORD following my remarks.

In conclusion, I would like to emphasize the importance of enacting meaningful improvements for active duty and Reserve members. They risked their lives to defend our shores and preserve democracy and we can not thank them enough for their service. But we can pay them more, improve the benefits for their families, and support the Reserve Components in a similar manner as the active forces.

We must ensure that the critical amendments that I have outlined survive the Conference process and are enacted into law. Our servicemembers past, present, and future need these improvements, and the bill that we passed today is just one step on the road to reform.

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

Defense Authorization Act (S. 2549) for FY 2001 add-ons, increases and earmarks

	Dollars (in millions)
TITLE I, PROCUREMENT	
Army Procurement (none)	
Navy Procurement:	
Airborne Low Frequency Sonar (ALFS)	6
Allegany Ballistics Lab GOCO	7.7
LHD–8 Advanced Procurement	46
Adv Procurement DDG 51	79
MSC Thermal Imaging Equipment	4
Integrated Condition Assessment System (ICAS)	5
Side-Scan Sonar	5
Joint Engineering Data Management & Info Control (JEDMICS)	4
AN/SPQ–9B Gun Fire Control Radar	4
NULKA Anti-Ship Missile Decoy	4.3
Marine Corps Procurement:	
Improved Night/Day Fire Control Observation Device (INOD)	2.7
Air Force Procurement:	
C–17 Cockpit System Simulation	14.9
C–17 A/C Maintenance System Trainer (AMST)	11.5
Combat Training Ranges	20
TITLE II, R, D, T, AND E	
Army R, D, T & E:	
Composite Materials	6
Advanced missile composite component	5
Ballistics Technology	3.5
Portable Hybrid Electric Power Research	1.5
Thermoelectric Power Generation for Military Applications	1
Operational Support	4
Equipment Readiness	8

Defense Authorization Act (S. 2549) for FY 2001 add-ons, increases and earmarks—Continued

	Dollars (in millions)
Fuel Cell Auxiliary Power Units	4
Enabling Technologies for Future Combat Vehicle	46.3
Big Crow	7
Simulation Centers Upgrades	4.5
Family of Systems Simulators	3
Army Space Control	5
Acoustic Technology	4
Radar Power Technology	4
Scramjet Acoustic Combustion Enhance	2
Aero-Acoustic Instrumentation	4
Supercluster Distributed Memory	2
SMDC Battlelab	5
Anti-malaria Research	2
SIRFC/ATIRCM	38.5
Threat Virtual Mine Simulator	2.5
Threat Information Operations Attack Simulator	2.1
Cost Reduction Effort MLRS/HIMARS	16
Design and Manufacturing Program	2
Center for Communications and Networking	5
Navy R, D, T & E:	
Free Election Laser	5
Biodegradable Polymers	1.25
Bioenvironmental Hazards Research	3
Nontraditional Warfare Initiatives	2
Hyperspectral Research	3
Cognitive Research	3
Nanoscale Sensor Research	3
Ceramic and Carbon Based Composites	2
Littoral Area Acoustic Demo	3
Computational Engineering Design	2
Supply Chain Best Practices	2
Virtual Tested for Reconfigurable Ship	2
Modular Composite Hull	4
Composite Helo Hangar Door	5
Advanced Waterjet-21	4
Laser Welding and Cutting	2.8
Ocean Modeling for Mine and Expeditionary Warfare	3
USMC ATT Initiative	15
Minesweeper Integrated Combat Weapons Systems	5
Electric Motor Brush Technology	2
Advanced Composite Sail Technology	2.5
Shipboard Simulation for Marine Corps Operations	20
Common Command and Decision Functions	10
Advanced Amphibious Assault Vehicles	27.5
High Mobility Artillery Rocket System	17.3
Extended Range Guided Munition	10
Nonlethal Research and Technology Development	8
NAVCIITI	4
Parametric Airborne Dipping Sonar	10
Advanced Threat Infrared Countermeasures	8
Power Node Control Center	3
Advanced Food Service Technology	2
SPY-3 and Volume Search Radar	8
Multi-purpose Processor	15
Antenna Technology Improvements	5
Submarine Common Architecture	5
Advanced Tactical Software Integration	4
CVN–77, CVN(X), and Nimitz Class Smart Product Model	10
NULKA Dual Band Spatially Distributed Infrared Signature	2.1
Single Integrated Human Resources Strategy	3

Defense Authorization Act (S. 2549) for FY 2001 add-ons, increases and earmarks—Continued

	Dollars (in millions)
Marine Corps Research University	3
Reentry System Application Program	2
Joint Tactical Combat Training System	5
SAR Reconnaissance System Demonstrator	9
Interoperability Process Software Tools	2
SPAWAR SATCOM Systems Integration Initiative	2
Distributed Engineering Plant	5
Air Force R, D, T & E:	
Resin Systems for Engine Applications	2
Laser Processing Tools	4
Thermal Protection Systems	1.5
Aeronautical Research	6
Variable Displacement Vane Pump	3
PBO Membrane Fuel Cell	5
Aluminum Aerostructures	3
Space Survivability	5.6
HAARP	7
Integrated Demonstration & Applications Laboratory (IDAL)	6
Fiber Optic Control Technology	2
Miniature Satellite Threat Reporting System (MSTRS)	5
Upper Stage Flight Experiment	5
Scorpius	5
Space Maneuver Vehicle	15
Solar Orbital Transfer Vehicle (SOTV)	5
Micro-Satellite Technology (XSS–10)	12
Composite Payload Fairings and Shrouds	2
SBL Integrated Flight Experiment (IFX)	30
Airborne Laser Program	92.4
RSLP GPS Range Safety	19.2
SATCOM Connectivity	5
BOL Integration	7.6
Hyperspectral Technology	2
Extended Range Cruise Missile	86.1
Global Air Traffic Management	7.2
Lighthouse Cyber-Security	5
B–2 Connectivity	3
U–2 Syers	6
Improved Radar for Global Hawk	6
Global Hawk Air Surveillance Demonstration	12
Defense Wide R, D, T & E:	
Personnel Research Institute	4
Infrasound Detection Basic Research	1.5
Program Increase	15
Chemical Agent Detection-Optical Computing	2
Thin Film Technology	3
Wide Band Gap	2
Bio-defense Research	2.1
Hybrid Sensor Suite	8
High Definition Systems	7
Three-Dimensional Structure Research	3
Chem-Bio Detectors	5
Blast Mitigation Testing	3
Facial Recognition Access Control Technology	2
Magdalena Ridge Observatory	9
Wide Band Gap	10
Excalibur	3
Atmospheric Interceptor Technology	15
Chem-Bio Individual Sampler	2.7
Consequence Management Information System	6.4
Chem-Bio Advanced Materials Research	3.5
Small Unit Bio Detector	8.5

Defense Authorization Act (S. 2549) for FY 2001 add-ons, increases and earmarks—Continued

	Dollars (in millions)
Complex System Design	5
Competitive Sustainment Initiative	8
WMD Simulation Capability	5
HAARP	5
Integrated Data Environment (IDE)	2
Advanced Optical Data and Sensor Fusion	3
Advanced Research Center	6.5
KE–ASAT	20
WMD Response System	1.6
Information Operations Technology Center Alliance	5
Trust Rubix	1.8
Cyber Attack Sensing and Warning	20
Virtual Worlds Initiative	2
Smart Maps	2
NIMA Viewer	5
JCOATS–IO	5
Information Assurance Testbed	5
Advanced Lightweight Grenade Launcher	5.6
Operational Test & Evaluation, Defense, R, D, T & E:	
Central T & E Investment Development (CTEIP) Program Increase	20
Reality Fire-Fighting Training	1.5
TITLE III, OPERATIONS & MAINTENANCE	
Army O&M:	
Range Upgrade	50
Battlefield Mobility Enhancement System	10
Clara Barton Center for Domestic Preparedness	1.5
Navy O&M:	
Navy Call Center—Cutler, Maine	3
Operational Meteorology and Oceanography	7
Nulka Training	4.3
Range Upgrades	25
MTAPP	2
Information Technology Center—New Orleans, LA	5
Nansemond Ordnance Depot Site—Suffolk, VA	0.9
USMC O&M (none)	
USAF O&M (none)	
O&M Defense Wide:	
JCS Mobility Enhancements	50
Defense Acquisition University	2
DLA MOCAS Enhancements	1.2
Joint Spectrum Center Data Base Upgrade	25
Legacy Project, Nautical Historical Project—Lake Champlain, NY	6.1
Information Security Scholarship Program	20
Command Information Superiority Architecture	2
Information Protection Research Institute	10
Impact Aid	20
MISCELLANEOUS	
Defense Health Program	98
Kaho'olawe Island Conveyance	25
Alkali Silica Reactivity Study	5
Sec. 373. Reimbursement by Civil Air Carriers for Johnston Atoll Support	
Sec. 1041. Inst. for Defense Computer Sec. & Info. Protection	10
Sec. 2831. Land Conveyance, Price Support Center, Granite City, IL	
Sec. 2832. Land Conveyance, Hay Army Res. Center, Pittsburgh, PA	
Sec. 2833. Land Conveyance, Steele Army Res. Center, Pittsburgh, PA	
Sec. 2834. Land Conveyance, Fort Lawton, WA	
Sec. 2835. Land Conveyance, Vancouver Barracks, WA	

Defense Authorization Act (S. 2549) for FY 2001 add-ons, increases and earmarks—Continued

	Dollars (in millions)
Sec. 2851. Land Conveyance, MCAS Miramar, CA	
Sec. 2852. Land Conveyance, Defense Fuel Supply Point, Casco Bay, ME	
Sec. 2853. Land Conveyance, Former NTC Bainbridge, Cecil County, MD	
Sec. 2854. Land Conveyance, Naval Computer & Telecomm. Station, Cutler, ME	
Sec. 2871. Land Conveyance, Army & Air Force Exchange, Farmers Branch, TX	
AMENDMENTS	
Amdt. 3219. To modify authority to carry out a fiscal year 1990 military construction project at Portsmouth Naval Hospital, VA	8.5
Amdt. 3235. To authorize a land conveyance, Ft. Riley, KS	
Amdt. 3242. To modify authority for use of certain Navy property by the Oxnard Harbor District, Port Hueneme, CA	
Amdt. 3383. To provide with an offset, $5 million for R, D, T, & E Defense-wide for strategic environment Research & Development Program for technologies for detection & transport of pollutants from live-fire activities	5
Amdt. 3385. To set aside for weatherproofing facilities at Keesler Air Force Base, MS, $2.8 million of amount authorized to be appropriated for USAF operation & maintenance	2.8
Amdt. 3389. To treat as veterans individuals who served in the Alaska Territorial Guard during W.W.II	
Amdt. 3400. To authorize a land conveyance, former National Ground Intelligence Center, Charlottesville, VA	
Amdt. 3401. To authorize a land conveyance, Army Reserve Center, Winona, MN	
Amdt. 3404. To authorize acceptance and use of gifts from Air Force Museum Foundation for the construction of a third building for the Museum at Wright-Patterson USAF Base, OH	
Amdt. 3407. To permit the lease of the Naval Computer Telecomm. Center, Cutler, ME, pending its conveyance	
Amdt. 3408. To modify the authorized conveyance of certain land at Ellsworth Air Force Base, SD	
Amdt. 3415. To provide for the development of a USMC Heritage Center at Marine Corps Base, Quantico, VA	
Amdt. 3423. To authorize SecNav to convey to the city of Jacksonville N.C., certain land for the purpose of permitting the development of a bike/green way trail	
Amdt. 3424. To authorize, with an offset, $1.45 million for a contribution by the Air National Guard, the construction of a new airport tower at Cheyenne Airport, WY	
Amdt. 3460. P–3/H–1/SH–60R Gun Modifications	30
Amdt. 3462. CIWS MODS	30
Amdt. 3465. Land Conveyance, Los Angeles AFB	
Amdt. 3466. Procurement of AV–8B aircraft	92
Amdt. 3467. Information Technology Center, LA	5

Defense Authorization Act (S. 2549) for FY 2001 add-ons, increases and earmarks—Continued

	Dollars (in millions)
Amdt. 3468. USMC Trucks, tilting brackets and mobile electronic warfare support system	10
Amdt. 3477. Joint Technology Information Center Initiative	20
Amdt. 3481. Tethered Aerostat Radar System Sites	33
Amdt. 3482. Special Warfare Boat Integrated Bridge Systems	7
Amdt. 3483. R, D, T & E for Explosive Demilitarization Technology	5
Amdt. 3488. Procurement of AGM–65 Maverick missiles	2.1
Amdt. 3489. Procurement of Rapid Intravenous Infusion Pumps	6
Amdt. 3490. Training Range Upgrades, Fort Knox, KY	4
Amdt. 3490. (cont.) Overhaul of MK–45 5 inch guns	12
Amdt. 3770. National Labs Partnership Improvements	10
Amdt. 3801. National Energy Technology Lab, Fossil Energy R&D	4
Amdt. 3802. Florida Restoration Grant	2
Amdt. 3812. Indian Health Care for Diabetes	7.372
Amdt. 3807. Salmon restoration and conservation in Maine	5
Amdt. 3795. Forest System Land Review Committee	1
Total:	1,981,522,000

Mr. DOMENICI. Mr. President, I rise today to offer strong support of the National Defense Authorization Act for Fiscal Year 2001. This legislation contains many positive things for the state of New Mexico and the United States—both in the programs funded and the changes made to enhance research and development efforts. Chairman WARNER should take pride in his committee's efforts to appropriately allocate defense funding.

For the second year in a row the committee was able to recommend a real increase in defense spending by adding $4.5 billion above the President's fiscal year 2001 request. The recommendation of $309.8 billion is not only consistent with the budget resolution it also allows for a 4.4-percent increase in real growth for defense from last year's appropriated level of funding.

The committee authorized $63.28 billion in procurement funding, a $3.0 billion increase over the President's budget. Operations and maintenance was funded at $109.2 billion with $1.5 billion added to the primary readiness accounts. Research, development, test and evaluation was budgeted at $39.31 billion, a $1.45 billion increase over the President's budget. These impressive funding levels mark the beginning of a challenging march toward a stronger, better, national defense.

Quality of life receives needed attention. I applaud the 3.7-percent pay raise for military personnel, the comprehensive retail and national mail order pharmacy benefit, the extension of the TRICARE Prime benefit to families of service members assigned to remote locations and the elimination of copayment for services received under TRICARE Prime.

Military construction is increased by $430 million. I am delighted that projects critical to the productivity and well being of the service members and their families residing in New Mexico have been included in this bill. These are not glamorous projects, they are projects that will replace critical crumbling infrastructure, such as the replacement of the Bonito pipeline between La Luz and Holloman Air Force Base.

Five additional Weapons of Mass Destruction Civil Support Teams were included at a cost of $25 million. This will provide us with a total of 32 Civil Support Teams by the end of fiscal year 2001. These teams are comprised of full-time National Guard personnel trained and equipped to deploy and assess suspected nuclear, biological, chemical, or radiological events in support of local first responders. One such team is currently being trained and fielded in New Mexico, ensuring that my constituents have better protection against such attacks.

Over $1.0 billion, an increase of $363 million over fiscal year 2000 funding, is authorized for Defense and Energy nonproliferation and threat reduction programs. These programs continue to make great strides in the critical process of securing weapons of mass destruction and retaining scientific expertise in the former Soviet Union. To further ensure that these threat reduction programs achieve their goals, the committee has also included several initiatives to obtain greater commitment and necessary access from Russia. I also will offer an amendment to increase funding and expedite our efforts in restructuring the Russian nuclear weapons complex.

Finally, $446.3 million is provided for the defense science and technology program—a 9 percent increase over the President's budget. This funding will focus on the revolutionary technologies to meet challenging emerging threats.

Several projects critical to New Mexico's contributions to our national defense are supported by this legislation. The Armed Services Committee approved an authorization of $60 million for the Warfighter Information Network program. Laguna Industries plays a key role in manufacturing and assembling these mobile command and control units needed by active and Guard units across the nation.

The committee also authorized $94.2 million to fully restore the Airborne Laser, ABL, program funding. The Air Force's ABL program is the only missile defense system currently contemplated that would strike and kill missiles in their boost phase.

The Tactical Higher Energy Laser, THEL, was authorized at $15 million for FY 2001. THEL represents one of the first weapons systems being tested that utilizes high energy lasers for the purposes of missile defense. The THEL program has been funded through a cost-share arrangement between Israel and the United States, with TRW having also made substantial investments in the program.

I strongly believe that lasers will transform both our offensive and defensive military means in the years to come. We should fully support these programs and address shortfalls in the science and technology funding in these technologies to ensure more rapid development and fielding of high energy laser weapons.

The committee also authorized $49 million in additional funding for activities of the Air Force Research Laboratories at Kirtland Air Force Base, including $5 million for the Scorpius Low-Cost Launch program, $15 million for Military Space Plane, and $5 million for the Solar Orbit Transfer Vehicle Space Experiment.

The Big Crow Program Office was authorized at $7 million by the Senate Armed Services Committee. Big Crow represents a unique electronic warfare test and evaluation capability used by all of the services to ensure their weapons can perform as needed in realistic warfighting scenarios.

An authorization of an additional $3 million will ensure continuation of the important blast mitigation research at New Mexico's Institute of Mining and Technology. New Mexico Tech houses our Nation's experts in terrorist explosives and is developing innovative ways to protect against this threat.

While I appreciate the committee's attention to these and other important programs, I believe that more must be done to ensure the directed energy science and technology is better coordinated and sufficiently funded. These technologies can assist in our defense efforts against some of the most prevalent threats confronting us. I will also be offering an amendment to this legislation that I believe will go a long way in achieving these goals.

In 1998 I spoke before this body and stated the need to start the new millennium by stopping the ebbing tide and ending the lengthy decline in defense spending. This year I am grateful to see the chairman and his committee have made the crucial step of maintaining, and improving on, the FY 2000 increase in defense spending. We must not flag in our efforts to support a strong national defense. The committee has recognized, as do most of us concerned about our national defense, that combat readiness of our Armed Forces must not be at risk. Our soldiers, and our country, deserve a national defense budget that is in keeping with international uncertainty and growing threats. Our soldiers and U.S. citizens are counting on us.

The PRESIDING OFFICER. The question is on the passage of H.R. 4205, as amended.

The Senator from Virginia.

Mr. WARNER. Mr. President, I ask unanimous consent that the Senator from Virginia and the Senator from Michigan be able to proceed for not to exceed 5 minutes equally divided.

The PRESIDING OFFICER. The Chair hears, no objection, it is so ordered.

Mr. WARNER. Mr. President, since 1961, the Senate has passed an authorization bill for our military. We are about to pass another. I first thank the leadership of the Senate, and my distinguished ranking member, Mr. LEVIN, for hanging in as we had to move this bill under some difficult circumstances in the last 30 days.

I wish to pay a special respect to all members of the Senate Armed Services Committee. We conduct our affairs as best we can in the spirit of what is in the best interest of our Nation. The bill reflects those decisions.

I wish to thank our respective staffs, both majority and minority.

I yield to my distinguished colleague who has been with me some 22 years in the Senate on this committee. We have worked together as a team in the best interests of our country.

Mr. LEVIN. Mr. President, first, I thank our chairman for his extraordinary leadership. Since Congress, in 1959, said that we were required to pass an annual authorization bill for the Defense Department, we have never failed. We have succeeded again this year, despite some real odds. We passed a record number of amendments. We did it because of the work of all the members of the Armed Services Committee, our staffs, and our leadership on both sides.

If I can just single out one person, I want to single out, in the leadership, if I may, Senator REID, for just sort of being here constantly to help us move the process forward.

Senator LOTT, Senator DASCHLE, all the leadership, our subcommittee chairmen, ranking members, our staffs really deserve credit for this. It is an extraordinary accomplishment, and it is a real feather in our chairman's cap.

Mr. WARNER. I thank my distinguished colleague.

Mr. THURMOND. Mr. President, I congratulate the chairman and ranking member for the fine job they have done.

Mr. WARNER. Mr. President, I wish to associate myself with the remarks on Mr. REID. He was very helpful to get some time agreements and other matters resolved.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The bill having been read the third time, the question is, Shall the bill, as amended, pass? The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 3, as follows:

[Rollcall Vote No. 179 Leg.]

YEAS—97

Abraham	Feinstein	Mack
Akaka	Fitzgerald	McCain
Allard	Frist	McConnell
Ashcroft	Gorton	Mikulski
Baucus	Graham	Moynihan
Bayh	Gramm	Murkowski
Bennett	Grams	Murray
Biden	Grassley	Nickles
Bingaman	Gregg	Reed
Bond	Hagel	Reid
Breaux	Harkin	Robb
Brownback	Hatch	Roberts
Bryan	Helms	Rockefeller
Bunning	Hollings	Roth
Burns	Hutchinson	Santorum
Byrd	Hutchison	Sarbanes
Campbell	Inhofe	Schumer
Chafee, L.	Inouye	Sessions
Cleland	Jeffords	Shelby
Cochran	Johnson	Smith (NH)
Collins	Kennedy	Smith (OR)
Conrad	Kerrey	Snowe
Coverdell	Kerry	Specter
Craig	Kohl	Stevens
Crapo	Kyl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Dodd	Leahy	Torricelli
Domenici	Levin	Voinovich
Dorgan	Lieberman	Warner
Durbin	Lincoln	Wyden
Edwards	Lott	
Enzi	Lugar	

NAYS—3

Boxer	Feingold	Wellstone

The bill (H.R. 4205), as amended, was passed.

(The bill was not available for printing. It will appear in a future edition of the RECORD.)

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. S. 2549 is returned to the calendar.

Mr. WARNER. Mr. President, I thank my colleagues for their work on this bill and for their overwhelming support. It sends the strongest of signals, first and foremost, to the men and women in the Armed Forces. This bill provides increased benefits, which they have so richly deserved and long been denied. This bill also initially starts the first balanced program to provide for more health care for the retirees who gave so much, together with their families, over the years. This bill sends a strong message throughout the world that America is committed to remain strong and lead in the cause of freedom and human rights.

I yield the floor.

Mr. REID. Mr. President, I want to talk about Senator CARL LEVIN, the ranking member for the Democrats on the very important defense committee of this Congress.

The Democrats could not be more proud of any Senator than we are of CARL LEVIN. We are so comfortable with him at the helm of this important aspect of what takes place in this country; that is, the preparedness of our military. He has a great working relationship with Senator WARNER. This bill was an extremely difficult bill. It simply could not have been completed without the expertise, the concern, and the respect Senator LEVIN has with his colleagues. I want to make sure the RECORD reflects that.

The PRESIDING OFFICER. I move that the Senate insist on its amendment, request a conference with the House, and the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. BUNNING) appointed Mr. WARNER, Mr. THURMOND, Mr. MCCAIN, Mr. SMITH of New Hampshire, Mr. INHOFE, Mr. SANTORUM, Ms. SNOWE, Mr. ROBERTS, Mr. ALLARD, Mr. HUTCHINSON, Mr. SESSIONS, Mr. LEVIN, Mr. KENNEDY, Mr. BINGAMAN, Mr. BYRD, Mr. ROBB, Mr. LIEBERMAN, Mr. CLELAND, Ms. LANDRIEU, and Mr. REED conferees on the part of the Senate.

The PRESIDING OFFICER. S. 2550, S. 2551, and S. 2552 are now considered en bloc. Division A of S. 2549 is substituted for S. 2550; division B for S. 2551, and division C for S. 2552. The bills are considered read the third time and passed, and the motion to reconsider is laid upon the table.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I ask unanimous consent that Senator BYRD and I might address the Senate for not to exceed 5 minutes each to discuss the status of appropriations.

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

THE STATUS OF APPROPRIATIONS

Mr. STEVENS. Mr. President, today, we believe the President will sign the first of the 13 appropriations bills we must pass, the military construction bill. I can report to the Senate that we are in conference now on Defense, and we expect to report that bill this evening from conference, or no later than Monday. That could be easily taken up next week sometime.

The legislative appropriations bill is waiting for third reading now. It is held up by one amendment, and we are trying to work out an arrangement where we might be able to have that voted on. We are waiting for the House to appoint conferees on the foreign operations bill; the Labor, Health and Human Services Committee; and the Transportation Committee. Those are all the subject of negotiations with the various Departments and the President's advisers, to see if we might find a way to accommodate the desires of

the administration regarding those matters.

The Interior bill is still on the floor and has a great many amendments. I believe, however, that can be finished easily next week. We have reported to the floor the Agriculture bill, which is a very important bill for us to consider, I believe, before we have the August recess. We have scheduled meetings now with the Appropriations Committee here in the Senate on Tuesday, July 18, for the Commerce-State-Justice bill and the energy and water bill. We believe those bills will be reported to the floor on that day, Tuesday, and could be scheduled sometime before the August recess. We believe we will be able to make the same statement regarding the Treasury and general government bill sometime next week. Hopefully, we will be able to get to that by at least Thursday.

What we are saying is that these bills can be acted upon if the Senate decides and commits to getting these bills to conference and, if possible, to the President, before the August recess. I have been speaking out now about the PNTR. I am a firm supporter of the goal there. Maybe there are some amendments that should be considered. But I believe we should get these bills done so that when we come back in September, we can take them from conference and pass them.

I call to the attention of the Senate the fact that we will finish our work for September on September 28. September 29 is a holiday, and September 30 comes on the weekend. We have a very short time when we come back to deal with appropriations bills and get them all to the President before the end of the fiscal year. It is my hope that, in the last year of this Presidency, we will avoid the kind of conflicts we have had in the past and try to work together with the President to finish up this term in the spirit of comity, particularly on appropriations bills. That is possible if we can get them up in August. It is not going to be possible if we have to wait until September and try to jam them all in for 2½ weeks in September.

I am taking the floor now with great respect for our leader and for our minority leader. I hope they will help us find the time on the floor between now and the August recess to consider these bills and ask for the commitment of the Senators to help us work to get this job done.

I think there is a way that we can wind up this period of 8 years of the Clinton administration without the rancor that we have had in the past, but it can only be done if we make up our minds now that we are going to work—and work some long nights, in fact—to get these bills considered and properly reported. I believe we are making progress.

It is my hope that at least the Defense bill and the Labor-Health and Human Services bill will be sent to the President for signature prior to the August recess.

I am happy to yield to my good friend from West Virginia. Our committee works on a totally bipartisan basis. I have not done anything without consulting my good friend from West Virginia, the former chairman. I want the Senate to know he has given me good advice all along.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, this is my 42nd year on the Appropriations Committee. I think I have served longer than any Member, past or present. The Appropriations Committee was first created in 1867. I don't have any doubt that I have served with the greatest chairmen who have served on that committee since its inception in 1867. That was 133 years ago. I have served with Senators such as Carl Hayden of Arizona, Dick Russell, John Stennis, John McClellan, Allen Ellender, and Senator Hatfield. These were great chairmen. They had long service in the Senate. I served with all of them. But I have never served with a better chairman on the Appropriations Committee than the current chairman, TED STEVENS. I think he is a better chairman than I was. I don't say that idly. He works at the job all the time. He works hard. I support him in this request to the leaders.

I don't happen to be a great fan of the treaty with China. I will have more to say about that later. But I am a great fan of getting these appropriations bills down to the President on time. When I was chairman, we were able to get all the appropriations bills passed before the beginning of the new fiscal year.

I join my chairman in pleading with the leadership—and the leadership has been most cooperative on both sides—to help get these bills moved and into conference and down to the President.

The chairman, Mr. STEVENS, hit the nail right on the head when he said we don't need to have another wrangle with the President over appropriations bills right at the end of the session. That plays into the President's hands. I think all Senators are aware of the fact that I believe the legislative branch is the predominant branch, and was meant to be the predominant branch among the three equal and coordinate branches. I think it has the upper hand, if Members of the Congress will but will stand up for the Senate and its constitutional powers.

I think it is important that we finish these bills because, when we wait until the end of the session, and we are left with an omnibus bill, the President wins every time. You may think you can beat the President in that deal. You can't do it. The President wins because he then has the upper hand. He has your back to the wall. Senators and House Members want to get out of here and go home. They have schedules to fill back in their districts and in their States. It plays into his hands if appropriation bills only reach him at the last minute. I don't like to play into any President's hands.

I think most Members are very aware that we need to work with the President. But it is highly important we get these bills passed. Let the PNTR wait. Why be in such a hurry on that treaty? Why be in such a hurry? It would be better if we were to take a little more time and examine that treaty more carefully and consider what the ramifications of its approval may be.

Last night we were able to get legislation adopted to create a national security commission. It will be a congressional commission. We will not have to depend upon the administration to tell us what impact that trade with China may have on our national security. We will have our own commission. It will be appointed by the joint leadership of both Houses. That commission will report to the Congress.

I have a somewhat jaundiced eye when it comes to moving in such a big hurry to take up the China treaty. As far as I am concerned, it ought to go over until next year. Let's take another look at it. That is just one Senator's opinion.

I plead with the leader—I say to this also to my own leader—to help us get these appropriations bills passed, to get them to conference, and then downtown. We can talk and wrangle and debate about the China treaty afterwards.

I thank my chairman.

Mr. LOTT. Mr. President, if the Senator from Alaska will yield briefly, first of all, I listened carefully to the comments of the two distinguished Senators who are the ranking member and the chairman of the Appropriations Committee. The service of these two Members surpasses all the rest of us, with the possible exception of the President pro tempore, Senator THURMOND. But beyond that, the wisdom and the sage advice they give all of us is greatly appreciated.

I certainly believe and will continue to believe that we should give the highest possible priority to these appropriations bills. We have an agreement now that will lead us to the conclusion of the Interior appropriations bill, I believe next Monday. I believe the votes could possibly be on Tuesday morning. I hope before we go out for the August recess that we do at least four more or all five of the remaining bills. I know clearly we could do four of the remaining bills: Agriculture, Energy and Water, Treasury-Postal Service, and Commerce-State-Justice. There may be some difficulty with HUD-VA that would cause it to go over until September.

But I appreciate their comments and their good advice. I will certainly weigh that very carefully. I appreciate the fact that they are willing to take to the floor and ask for this help in getting their work done. In fact, it is our work. It is the people's business.

I appreciate their comments.

I commend and thank the chairman of the Armed Services Committee, and also the ranking member, Senator LEVIN, for the work they did on the Department of Defense authorization bill. We got it finished. Hallelujah. The Senate has produced the final vote on one of the most important bills we will do all year, the Department of Defense authorization bill. There is a lot of important language in there. It is not only about the ships, the planes, and housing; It is also about health care. It is a big, important bill. Without the patience and the tenacity of the chairman, the Senator from Virginia, and the help he received from the Senator from Michigan, we wouldn't have it done.

I commend them; and, again, the senior leadership of the two Senators on the Appropriations Committee who spoke is admirable. I appreciate it very much. As a leader, you have to rely on the senior leaders, and the managers, the chairmen. In this case, I did, and they did it.

I thank Senator STEVENS for his comments and for yielding me this time.

The PRESIDING OFFICER. The Senator from Alaska has the floor.

Mr. WARNER. Mr. President, if I could have 1 minute to thank the distinguished leader.

I wish to acknowledge my deep appreciation to our distinguished majority leader, and, indeed, to Senator DASCHLE, Senator Harry REID, Senator NICKLES, and all. Yes, chairmen work hard and this posed some problems, but never once did I have any feeling that leadership was not determined on behalf of the whole Senate and this country to see that this bill was passed. There was never a flicker of doubt in my mind from the date we started some 3½ weeks ago. I thank this body for the leadership that we have to get these difficult tasks performed.

I yield the floor.

Mr. STEVENS. Mr. President, I yield to the Senator from Montana.

Mr. BAUCUS. Mr. President, I ask the majority leader, I heard him speak about the desire to get the appropriations bills passed, which I am in favor of, but did I hear the majority leader say not only is it his intention to bring up appropriations bills this month, but did I hear him include PNTR?

I think in the same spirit of compromise which we just passed the Defense authorization bill, as it has been referred to, we can work to get PNTR up this month and passed, along with the appropriations bills—as many as we can.

I say to the majority leader, I will do my part in helping with the estate tax reform bill to try to limit the amount of time on that bill and also work on other appropriations bills. I think it is necessary that PNTR also be included in the list of measures that we will bring up and pass this month.

Mr. STEVENS. Mr. President, I have the floor and I am happy to have that conversation somewhere else, but I understand what the Senator is saying.

Mr. President, I want to finish my comments. I think we have almost used our 10 minutes. I thank my good friend for his comments. I could never claim to be the chairman that Senator BYRD was, but in any event, I do hope the Members are listening to what we are saying. We have had over 100 amendments on the last two appropriations bills. If that continues, we will be on appropriations bills until the day we go off on recess for the conventions. There will be no time for PNTR. Let's get the bills up. I urge the Members to be considerate of what we are doing. If we can finish them, then we take up PNTR. I think we can't keep breaking up the concept of these bills. The synergy of getting a bill working and getting it to pass in the appropriations process is necessary to get these done by the time we go off on August recess.

I have every confidence we will get to the PNTR. The Senator from West Virginia is right; despite my support of PNTR, it is not our constitutional duty to finish it by the end of the fiscal year. The appropriations bills are. That is our point. We want to do our job on time. We urge the Senate to work with us to get that done.

I think our time has expired.

The PRESIDING OFFICER. The time has expired.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask consent to speak for 2 minutes so I can ask the majority leader a question.

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

Mr. BAUCUS. Essentially, I am trying to move this ball along. It is a pretty large bill and includes lots of different items. Not only is it PNTR but appropriations bills.

I wonder if I could ask the majority leader if PNTR is included in the list of ''must-pass'' measures for July? We are all working together, particularly with the good meeting we had last evening in the majority leader's office with Senator THOMPSON and others, working out provisions of the Thompson amendment. There is a good chance we can move things along.

I ask the Senator his views on the subject.

Mr. LOTT. Mr. President, I certainly want to move this along. I want to have a vote on the Moynihan substitute on the death tax, and then have a vote on our alternative. That would be the best way to proceed. We would have two votes and Senators could cast their votes accordingly, and we would move on.

Instead, we have an agreement that will take all day and into the night. Instead of taking 2 or 3 hours, it will wind up taking probably 10 or 12 hours. I hope on the marriage penalty tax we could vote on the alternative. Senator MOYNIHAN has a reasonable alternative. We could vote on that, vote on our alternative, and be through with the marriage penalty tax and move on to the appropriations bills.

We do have a matter we are working through on both sides to try to deal with the question of nonproliferation of nuclear weapons, the language suggested by Senator THOMPSON. We are trying to find a way to get an agreement on the language and a way to consider that.

We must do the people's business. We have to do these appropriations bills. We have to do at least four appropriations bills beyond the Interior appropriations bill. When we get that done, I don't see any problem then in moving to China PNTR. I can't make days out of whole cloth, and I can't make commitments until we get our work done. But we are all working on that, I think, in good faith.

Senator REID worked assiduously on these appropriations bills. Energy and water we may be able to do in a day or two. Agriculture, I will be surprised if we don't have 80 or 100 amendments pop up. That bill could take a week. It is very important to our country. We all want the Agriculture appropriations bill completed. Commerce, State, and Justice—no matter what Members might think about Commerce or State or Justice, we need to get that bill done very badly. That bill quite often is like fly paper, it draws a lot of amendments. If we made a commitment, if we made up our minds on both sides of the aisle we will complete Interior and do three more appropriations or four more appropriations bills next week, we could do it. But it would take an extraordinary amount of heavy lifting to get that done.

I will work with Senator STEVENS and Senator BYRD. It is rare for these two Senators to take the floor and say what they have said today. I have to weigh that carefully.

Mr. BAUCUS. Thirty seconds. I very much appreciate the situation we are in, with very few days left and lots of business to conduct. As far as I am concerned, I will do my part. I know others on this side will try to help maintain that schedule. For example, on the estate tax bill, I think there are a couple of amendments on your side that will be accepted by voice vote or agreed to by voice vote to help move this along. In that spirit, I remind the leader it is critical that PNTR come up and be disposed of this month.

I thank the leader for his hard work.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, if I could bring everyone back to reality, the problem of the day—not next week or the week after—is that we have about 12½ hours of debate time, excluding voting, and the leader indicated he wants to do that today. So that means about 2:30 or 3 o'clock this morning unless something is done carrying this matter over or shortening the time.

I think it is great to talk about the future. That is important. But my concern is what we have here today and it is a tremendous burden. As I indicated, I think we have over 12 hours of debate time in the unanimous consent request alone.

DEATH TAX ELIMINATION ACT OF 2000—Continued

Mr. ROTH. What is the pending business?

The PRESIDING OFFICER. The Moynihan amendment.

Mr. ROTH. How much time do I have?

The PRESIDING OFFICER. The Senator from Delaware has 45 minutes and the Senator from New York has 30 minutes.

Mr. REID. Does the Senator from Delaware wish to use some of his time now?

Mr. ROTH. Yes, I do.

I yield 15 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 15 minutes.

Mr. HUTCHINSON. I rise in opposition to the Democratic alternative and in strong support of H.R. 8. I listened with interest to the debate taking place earlier this morning on this bill. I have the utmost respect and admiration for Senator MOYNIHAN. However, I wrote down one phrase he used. He said: We should stay with a tax that has served us well.

I think that is the fundamental difference between the parties and those who differ on this issue. I don't believe the death tax has served our country well. I don't believe it has served the American dream well. I don't believe it serves the American people well.

The death tax basically says to the American people: Be successful but don't be too successful. The death tax says: Work hard but don't work too hard and make too much. The death tax says: Save your money but don't save too much. The death tax puts a ceiling on what the American dream can be. I think that is fundamentally wrong, and therein is the basic difference between the two philosophies, the two parties, the two approaches on the death tax.

There are those who say you can make too much and at that point the Government is going to step in and we are going to take what we think you have excessively made and earned and saved and invested, and we are going to redistribute that; we know better how to use that estate than your heirs, your family, your loved ones.

We believe that is wrong. The whole approach behind the death tax is fundamentally wrong and un-American. The amendments that are being offered, including the Democratic alternative basically say, let's tweak it a little bit; let's finesse the death tax a little bit; let's expand the exemption a little bit, let's tinker with it.

But that is not enough. This is a tax that is past its time—if it was ever justified, and it was not. It should be removed, eliminated, and that is why this alternative is insufficient.

It is no accident that the American Farm Bureau endorses H.R. 8. American farmers already have enough challenges growing crops, bringing them to market, making a living. Yet still our farmers see their land whittled away generation by generation, and not just by floods or storms or infestation but by the Federal Government and its tax policies. Death taxes can destroy family-owned farms and ranches when, after taxes, farmers do not have enough to keep their land, their buildings, or their equipment.

I want you to listen to the words of H. Jay Platt of the Arizona Farm Bureau Federation as he testified before the House Small Business Committee. This is what he said:

> My grandfather started our ranch around the turn of the century with a couple of cows on a few acres of grazing land. For 100 years my family has worked hard to build our operation into a modern ranch that is the core of the financial base for three families. We paid taxes on everything we've earned and we don't understand why we have to pay again when we die. We can't comprehend why the government wants to penalize us for being successful by taking our ranch at death. We believe that our family, our community and the environment will all be better off if our ranch continues.

That is a powerful statement. That is farmers. But small businesses are in a similar trap. According to the NFIB, more than 70 percent of family businesses do not survive to even the second generation, and more than 87 percent of these small family-owned businesses never make it to the third generation. One in three small business families today have to sell their businesses outright or liquidate business assets just to pay the death tax.

The American dream can become an American nightmare because of the death tax. Democrats talk about the estate tax bill we are considering, the elimination bill, as being a tax break for the richest people in America. Let me tell you about some of the people who are really affected by the death tax.

One of my own staffer's husband and his siblings just experienced the deaths of both parents. Their mother died only 2 weeks ago. In addition to the intense emotion and grieving this family is currently going through, they are now faced with selling family farmland and other assets in order to pay estate inheritance taxes in an attempt to save the family home and the family business.

This is farmland that their parents and they have tilled and planted, farmland which paid for all four of the children's college education. Their small lumber and hardware store is located in a town of 1,400 people and has been in existence nearly 50 years. Not only will they have to pay estate taxes totaling almost half of the estate; they will have to pay capital gains taxes on the assets they sell in order to pay for the death tax. Talk about adding insult to injury. That surely does.

This is not about the wealthiest Americans. This is about a family who has put countless hours into rebuilding their family lumber business which burned to the ground a decade ago. This is about all 1,400 people who live in that small town, who are served by that family business, as well as the employees whose livelihoods depend upon that business. This is about handing down a legacy to their children who want to maintain the business which has served this rural community for five decades.

The Federal estate tax, the death tax, punishes families for the deaths of their loved ones. The Federal estate tax takes its toll irrespective of the fact that any sale of inherited assets is subject to capital gains taxes. It is clear and, to me, it is simple: This is double taxation. It runs contrary to this country's work ethic and to family values.

I have a stack of letters that have come in in the last month from people in the State of Arkansas who are not wealthy Americans but who see the deadly impact of the death tax. Let me share with you one letter from Haskell Dickinson:

> DEAR SENATOR HUTCHINSON: My father has grown gray worrying about his estate. He and his family members have paid exorbitant life insurance fees. He has been under intense pressure from large corporations who, he knows will consolidate his company and destroy local business relationships. He has been disillusioned that having to sell will mean a valuable Arkansas asset will be owned by an out-of-state firm. Arkansas stands to lose a lot from such a sale because of lost ''local'' business relations and community support and leadership.
>
> The estate tax is a cruel, grinding tax on people like my dad, and his family, and it's terrible for communities to lose good businesses and relationships to bigger, ''out of town,'' corporations.

Or this letter from Jack Kinnaman of Kinco, Incorporated.

> DEAR SENATOR HUTCHINSON: Since I've been in business, my company and I have paid in income tax ranging from 25–75%. I have worked hard all my life and worked those 60–

100 hr. weeks building a company. I am 66 yrs. old and still work 50–60 hrs. a week. When I die, in all probability, the family will not be able to afford to keep the business going because of the Death Tax (opponents call it estate tax). Some relief was given because so many family farms were being lost. Small businesses like mine should not be lost because of a ''wealth distribution mandate''. We should have some feeling of comfort and pride that we can leave a successful business to our children.

I urge you to support the Death Tax Repeal Proposal approved by the House.

Mr. Kinnaman, I agree with you. I agree with you.

Richard Posner put it this way:

Since the accumulation of a substantial estate is one of the motivations that drive people to work hard, a death tax on saving is indirectly a tax on work.

It is a fundamental difference. Do you think you ought to tax the products and the fruits of somebody's labor or do you believe you should not? It is a basic difference of philosophy. You can tweak it. You can finesse it. You can expand the exemption. But you are still saying, if you make too much, we are going to penalize you because we are going to tax you at 55 percent. We are going to take half of everything you earned, worked a lifetime to make. That is wrong. You can make all the rationalization and justifications, we should not penalize success in America. We should not say: you worked too hard; you did too well; you succeeded too much. That ought to be exactly the kind of thing we reward in this country.

These hard-working—not wealthy but hard-working—and successful Americans are right when they say this tax should be repealed. It takes from Americans an incentive to save, a will to work. The National Federation of Independent Business, the American Farm Bureau, the Black Chamber of Commerce, the Hispanic Chamber of Commerce, the National Indian Business Association, the Pan-American Chamber of Commerce, and on and on, all support H.R. 8, and so should my colleagues on the other side of the aisle.

The death tax has been repealed in 20 States since 1980, including that of Senator KENNEDY of Massachusetts, Oregon, Vermont. The nation of Canada repealed it, Israel repealed it, Australia abolished it, and so should we. It is past time. It is time to make friends of logic and taxation by repealing the death tax. Let's clear the way for parents to bequeath to their children, not bequeath to the Federal Government.

I yield the floor.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from Nevada.

Mr. REID. The minority yields 15 minutes to the Senator from North Dakota, Mr. CONRAD.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, perhaps it is useful to this debate and discussion to put in perspective what we are talking about in budget terms, and then to go to the specifics of the proposals that are before us. I think it is useful, first, to review where we are in terms of the projected surplus over the next 10 years because those numbers have just changed. We are now told we will have a total surplus, a projection of a surplus, of $4.2 trillion over that 10-year period.

I think it is also important to remember that two-thirds of that money is from Social Security and Medicare; $2.3 trillion represents surpluses from Social Security, $400 billion represents surpluses from Medicare.

Between those two, over $2.7 trillion of the $4.2 trillion projected surplus is from Social Security and Medicare. That leaves us over the next 10 years $1.470 trillion of non-Social Security, non-Medicare surplus. This is money that I argue is available for tax relief, is available for additional debt paydown, and is available for high priority domestic needs such as education, prescription drug coverage, additional expenditures on defense, and other high priorities that we might have in this country. I also argue that Agriculture ought to be given additional resources to confront the Europeans, our major competitors, who are outspending us dramatically as they attempt to buy markets that were once ours. That is the money we have available over the next 10 years.

The other day in the Washington Post, Secretary Summers, the Secretary of the Treasury, warned us that the proposal that has come out of the House, which is before us now as the Republican proposal, explodes in cost in the second 10 years.

I just reviewed our budget circumstance in the next 10 years according to the latest estimates. In the second 10 years, the Republican tax proposal on estate tax explodes in cost. It goes from $105 billion to $750 billion. Here is the Secretary of the Treasury alerting us that the tax cut will cost too much. He points out that the estate tax repeal measure passed by the House and now before the Senate would cost about $750 billion in the second 10 years, more than 7 times its cost in the first 10 years. He points out:

If it were to be enacted, it might be the most backloaded piece of tax legislation ever.

That is the Secretary of the Treasury.

The respected columnist, David Broder, wrote in the Washington Post the day before the Summers' column, Sunday, July 9, a recommendation to the President that he veto the Republican estate tax proposal. He points out that 98 percent of the inheritors in 1998 paid nothing in estate tax—nothing. The $28 billion in inheritance taxes came from 2 percent of very large estates.

He goes on to point out that under a 1997 law, a couple with a farm or business worth up to $2.6 million can give it to their heirs tax free. The Democrats raise that to $4 million for a couple, which means that only 1 of every 100 estates would face any inheritance tax. In fact, our proposal is to raise it to $4 million for a couple, and $8 million for those who own small businesses or farms. We are talking about a fraction of 1 percent that would have any liability under the plan we are offering.

These charts tell the story. The Republican plan explodes in cost in the second 10 years. It goes from $105 billion over that period in the first 10 years to $750 billion in the second 10 years.

There is also something very interesting about the estate tax proposal of our Republican colleagues. They talk a lot about eliminating estate taxes, but really what they do in the first 10 years is not eliminate the estate tax at all. In the first 10 years, they reduce the rates at the top end so the people they are helping are the people who are the very wealthiest in the country. Those are the people to whom they are providing the first relief.

It is, frankly, very odd. I have to ask my Republican colleagues why they would choose to provide estate tax relief in this way. Why don't they begin by helping the small business owners and the farmers and the couples who just qualify for paying estate tax? Why not?

Mr. KYL. Will the Senator yield?

Mr. CONRAD. If I can continue.

Mr. KYL. For a question.

Mr. CONRAD. I will be happy to yield for that purpose after I have gone a little further. I then will be happy to engage my colleague. Why do they have an estate tax plan that gives the first relief to the very wealthiest among us? Why not provide the first help to those who really need it: small business owners, the farmers who we think ought to be exempted from the estate tax because the estate tax structure, as it is, is out of date.

That is not what the Republican plan does. The blue line on this chart shows current law. The red line shows the GOP estate tax proposal. They reduce the rate starting at the top rate first. They reduce that and then create this incredible cliff effect when it goes into full effect supposedly 10 years from now. Frankly, because of the exploding cost, I doubt their plan would ever go into full effect. We would have the worst of all worlds. We would have the top rates reduced, nobody relieved from estate tax liability for the first 10 years, and then I believe because of the exploding costs, this cliff effect would never occur, and we would have the worst of all worlds. We would have lost the ability to plan, to manage estates; we would have lost the opportunity to

take people off the rolls who really ought to be off the rolls, and we would have, as I say, the worst of all worlds.

If we look at the underlying facts, 98 percent of estates currently are exempt; 98 percent of estates pay no estate tax because of current law which provides substantial credits to exempt the vast majority of estates. Only 2 percent have some requirement to pay under current law. The Democratic proposal in the first year relieves 42 percent of those 2 percent of any liability. That is the Democratic plan. The Republican plan relieves 0 percent of estates from taxation in the first year. Let's go back and review what I have said.

Under current law, 98 percent of estates are exempt. Only 2 percent pay any estate tax. Under the Democratic plan, of those 2 percent who have some estate tax liability, in the first year we take 42 percent of them off the rolls completely, entirely. The Republicans take none of them off the rolls—none.

At the end of the 10-year period, the Democratic plan takes 67 percent of those 2 percent of estates that have a liability now off the rolls. We take two-thirds of them off the rolls entirely. The Republicans, by the year 2009, takes none of them off the rolls of liability.

There is an enormous difference between these plans, and the Democratic plan is far superior in the next 10 years to the Republican plan—far superior for couples, far superior for small business, far superior for farmers.

In this morning's New York Times on the front page of the business section, it says:

> Two prominent experts on estate taxes said yesterday that the Democrats were offering a much better deal to small-business owners and farmers, because the relief under their bill would be immediate and the estate tax would be eliminated on nearly all of them. ''The fact is that the Democrats are making the better offer—and I'm a Republican saying that,'' said Sanford J. Schlesinger of the law firm of Kaye, Scholer, Fierman, Hays & Handler in New York. With routine estate planning, he said, the $4 million exemption could effectively be raised to as much as $10 million in wealth that could be passed untaxed to heirs. Only 1,221 of the 2.3 million people who died in 1997 left a taxable estate of $10 million or more, I.R.S. data shows.
>
> Neil Harl, an Iowa State University economist who is a leading estate tax adviser to Midwest farmers, said that only a handful of working family farms had a net worth of $4 million.

Of course, we would permit $8 million by a couple to be passed untaxed to heirs.

Above that—

Above the $4 million he is referencing—

> with very few exceptions, you are talking about the Ted Turners who own huge ranches and are not working farmers,'' he said.
>
> Mr. Harl said he was surprised that farmers were not calling lawmakers to demand that they take the president up on his promise to sign the Democratic bill.

The Democratic plan, even according to Republican tax analysts, is far superior to the Republican plan in providing relief to taxpayers.

It is also true our proposal costs less—$64 billion over the next 10 years, instead of the $105 billion of the Republican plan. That means we could use that other money for other priorities.

We could use it for an additional paydown of the debt. That happens to be my favorite priority. I would like to have an even more rapid paydown of the debt because of the enormous benefits that flow from that policy.

But there are other things we could do. We could provide tax incentives for health care with the additional money. We could provide for college tuition deductibility, which would help millions of American families who are sending their kids to college. We could have retirement savings proposals. Those cost in the range of $30 to $40 billion. We could have a long-term care tax credit. That costs $32 billion.

As I say, we could have additional debt reduction of $40 billion under the Democratic plan, in addition to dramatic estate tax relief that would immediately remove people from the rolls of having to pay estate tax. We could have a paydown on a prescription drug benefit.

This is a question of priorities. Our priority has been to give real relief, immediate relief, to those estates that ought not be taxed, in our judgment, to give real relief to thousands of families who would pay no estate tax under our plan and have that relief immediate, starting this coming year, allowing 40 percent of the small number of estates that are currently taxable—only 2 percent of the estates are currently taxable, and we take 40 percent of them off the first year. They owe nothing. The Republican plan takes none of them off the rolls. It gives their relief at the top end, top down, rather than bottom up. That is the fundamental difference between our plan and their plan.

We have, as I say, in the New York Times this morning prominent tax experts saying the Democratic plan is better for small business owners. It is better for farmers. There is really no question about it.

In the first 10 years, people are much better off under the plan we have offered. I go back to the point I made earlier. Under the Republican plan, you get to the second 10 years and the cost explodes, right at the time the baby boomers start to retire, and put additional pressure on the budget of the United States.

I believe the Republican plan will never go into effect. They will find some other way to circle back and impose a tax on those assets because the cost of their plan explodes in the second 10 years to $750 billion right at the time the baby boomers start to retire.

I tell you, this is the time to have estate tax relief that is real, not to wait 10 years but to start now, taking people who should not be there off the rolls, giving relief to small business owners and farmers. That is what the Democratic plan does.

Mr. President, I would be happy to yield to the Senator from Arizona who had an answer to a question. I yield on his time.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

Who seeks recognition?

Mr. ROTH. Mr. President, I ask the Senator from Arizona, how much time does the Senator wish to have?

Mr. KYL. If I could have 15 minutes, I think that would do it.

Mr. ROTH. I yield the Senator 15 minutes.

Mr. KYL. I thank Senator ROTH for yielding me the time.

I appreciate the Senator from North Dakota at least attempting to yield for an answer to his question. Here is, I think, the simplest explanation. I will give two. If the Democratic plan is better for small businesses and farms, then why is it that every small business organization and every farm organization support the Republican plan?

I am responding to the Senator's question. We have politicians on both sides of aisle saying: Our plan is better. No, our plan is better.

Why is it that all of the organizations that we are concerned about—the farmers and the small business folks—all support the Republican plan?

Let me read into the RECORD a few of these organizations. The American Farm Bureau supports the Republican plan. There are a whole number of organizations such as the Soybean Association, the Sheep Association, and others. Let me list a few of them: the National Association of Wheat Growers, the National Association of State Departments of Agriculture, the National Cattleman's Beef Association, the National Corn Growers Association, the National Cotton Council of America, the National Milk Producers Federation, and with regard to small business, the umbrella organization, the National Federation of Independent Business.

And back to the farm groups: the Pork Producers Council, the Small Business Legislative Council, the United Fresh Fruits and Vegetables Association.

I could go on and on reading from this list. This is a three-paged, single-spaced list of small business organizations and farm organizations, and every one of them support the Republican plan, not the Democratic alternative.

So I think that is the answer to the question: Which one of these plans is better for small businesses and farms? It is the Republican plan. Why is that?

There is actually a fairly simple answer, and then an answer that takes a little more explanation.

Mr. BAUCUS. Will the Senator yield for a question?

Mr. KYL. Not right now. Let me finish my point.

The reason why the Democratic alternative is not supported by any of these organizations is because no one can qualify for the benefit it purports to grant. It does not matter whether you raise the exemption from $600,000 to $1 million or $2 million if people can't qualify for it. The fact is, it is very difficult, if not impossible, for most small businesses and farms to qualify.

I will cite some experts who make that point, but, first of all, the statistics: Only 3 to 5 percent of affected estates qualify under these sections. In today's Wall Street Journal, there is a reference to this fact. The lead editorial ''Death Tax Revolt,'' reads:

> But Senate Democrats also offer to expand a small-business and farm exception that is a tax-lawyer's dream. The loophole, known as IRS Code section 2057, is so complicated and onerous that few estates qualify. That's why even House Democrats offered the cleaner alternative of a 20 percent cut in estate-tax rates.

It then goes on to note that Senate Democrats have offered this instead.

Let me quote from a couple of memos from tax experts that make this point:

> The requirements to qualify for the new exclusion provided by 2057—

Which is the section we are talking about here—

> are virtually identical to the requirements to qualify for special use valuation for farms under section 2032A. . . . The 2032A nexus is very important since most estate tax analysts agree that section 2032A is a flawed section of the Code that is virtually unworkable.

Let me just go on here:

> The frustration of farmers with 2032A and its enforcement has resulted in virtually no farm families structuring their estates to take advantage of this so-called relief in the Code. . . . Quite simply, these provisions, while well-intentioned, are flawed and represent ''broken'' sections of the Code. Tinkering with the Code—

I will just interject: As the Democratic alternative purports to do—

> and trying to engineer and mandate the circumstances for running a business or farm 10 years into the future is a gross violation of a family's right for self-determination for the business or farm and against the spirit of allowing an individual's hard-earned, after-tax life's work to be shared and enjoyed by his/her loved ones.

Here is what one of the experts in estate tax has noted:

> The current Qualified Family-Owned Business Interest is 4 pages of statute as Code Section 2057. Its predecessor 2033A was condemned by the Real Property and Probate Section of the American Bar Association which urged its repeal.

Why? Because it is malpractice waiting to happen. All of the lawyers getting together can't figure out how to make this code work for small businesses and farms. They can't qualify.

Reading on:

> The reason for this condemnation by this respected organization and others was extreme complexity and limited application, plus little practical help in preserving family farms and businesses from forced sale or liquidation to pay the 55 percent estate tax.
>
> Although 2057 is only 4 pages of law, it incorporates by reference 14 sections from 2032A—valuation of certain farms, etc., real property.

Section 2032A, which is itself 11 pages, ''was considered the most dangerous section of the estate tax law because of the risk of malpractice claims against estate planning lawyers and accountants. Currently, there are 149 tax cases which have been decided and reported involving 2032A issues.'' The IRS has challenged the validity of the estate planning under this section and has won approximately 67 percent of the cases.

So what kind of great relief do we have in the Democratic package? Relief which is based upon attempting to qualify under a section that only 3 to 5 percent of the eligible estates can qualify under, where lawyers are frequently committing malpractice if they try to gain this qualification, and where the IRS is succeeding in over two-thirds of the challenges which they are making to attempts to qualify under this section.

The point is, you can make this exemption as high as you want to, but it is unworkable. That is the fatal flaw in the Democratic plan. As the Wall Street Journal editorial noted, House Democrats who sought to have an alternative recognized this and went at it in a different way—not our colleagues in the Senate.

There are additional memoranda from tax experts who make this very same point.

I will move on to another point. My colleague, Senator CONRAD, quoted the Larry Summers article which is grossly in error. The Secretary of the Treasury forgot two important points when he estimated the cost of the Republican plan.

First, remember that the Republican plan is not just a repeal of the estate tax. It is essentially a substitution of the capital gains tax for the estate tax. That is an important point. When somebody such as Secretary Summers or Senator CONRAD says, here is how much the repeal of the estate tax is going to cost, and then doesn't take into account the revenue that is brought in by the application of the capital gains tax, they are presenting a distorted picture.

The first point is that while the capital gains tax rate is lower at 20 percent, lower than the estate tax rate, it will nevertheless produce revenue when the property of the heirs is sold, at least it is their decision as to when to sell their property. It does not have to be sold at the time of death of the decedent in order to pay the tax. They can wait and hold it forever if they want to maintain the small business or keep on the family farm. If they would like to sell those assets sometime, they do so knowing that there is going to be a capital gains tax. Granted, at a rate lower than the estate tax, but it is still a tax they are going to have to pay.

The second thing Secretary Summers did not take into account—and it has not been taken into account by our friends on the other side—is the step up in basis. Under the existing law, the basis is stepped up at the time of death. So let's take one of these billionaires they are fond of talking about. If the widow of a billionaire sells all of the estate the day after the death of the decedent, there is no gain. As a result, the step up in basis results in a payment of zero capital gains tax, none whatsoever. They have to pay the estate tax but zero capital gains tax. By removing this step up in basis, we take death out of the equation. If and when the assets are ever sold, they are sold knowing that the capital gains tax applies and that it is calculated on the basis of the original cost to the owner of the property.

So the decedent bought the property 10 years before at $10 a share, and it is up to $100 a share now. The basis is the $10. The gain is calculated based upon that. Then you pay the capital gains tax. That is why all of these wild estimates of how much this is going to cost are off the mark. They don't take into account the fact that we substitute the capital gains tax and that we repeal the step up in basis.

There is another point I will make. Given the fact that we are talking about a budget surplus of trillions of dollars over a 10-year period, obviously any ''cost to the Treasury'' is irrelevant. It is, A, a drop in the bucket and, B, not needed because we are running a huge surplus. Why are they so worried about this loss in revenue to the Federal Government? By definition we are running a surplus, and we don't need the revenue.

One of the comments the Senator from North Dakota made was that our proposal costs less. Yes, it costs less because it provides less benefit. If it is so good for the family farms and small businesses that they seem to care so much about, why would they then want to stress the fact that their plan costs less, when in fact that means it provides fewer benefits.

The bottom line is, the Republican alternative, which is supported by the agricultural and small business groups, is the better plan for them. It is a better plan because it doesn't rely upon a fatally flawed provision of the Tax Code to make it work. It repeals the estate tax, but it provides an important substitute. That substitute is that the

estates would be subject to a capital gains tax to the extent that the property of those estates is ever sold.

We believe that is a very fair way to approach this issue. It takes death out of the equation. It removes that horrible Hobson's choice that a family must make at the worst possible time for them to have to deal with it, at a time when the head of the family has died; he is the person perhaps most responsible for making this farm or small business a success. They are then faced with the difficult choice of having to figure out how to pay the estate tax and, in many cases, having to sell this business in order to do so.

One more important point. There is a recent Gallup poll that points out that 60 percent of American people favor outright repeal. Only 35 percent oppose that. Yet 43 percent of the people who favor repeal say they know they would never benefit from the repeal. That demonstrates to me that they understand this is a very unfair tax. Only 17 percent believe they will benefit by a repeal of the tax. That may be a fairly representative number. But it is an unfair tax.

Another one of the reasons why it is so unfair is because a great deal of the expense associated with this is not the payment of the tax, but it is the payment of all of these lawyers and accountants and estate planners and the purchase of insurance and other products which are designed to avoid the payment of the tax. The very wealthy, these billionaires the other side likes to talk about, can well afford all of the lawyers. They end up shielding the bulk of their income as a result of the estate planning they do. It is the smaller estates that end up having to pay the tax because they haven't been able to afford these expensive products to try to avoid the tax.

Besides simply being jobmakers for lawyers, which I don't think we are in the business of being, this is a very expensive proposition. It is interesting that the bulk of the people who pay the taxes are the smaller estates.

I ask unanimous consent to print in the RECORD a brief explanation from an article by Bruce Bartlett of why the larger estates pay only 20 percent of the total taxes.

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

[From the Washington Times, June 19, 2000]

THE REAL RAP ON DEATH AND TAXES

(By Bruce Bartlett)

On June 9, the U.S. House of Representatives voted to abolish the estate and gift tax in the year 2010. Predictably, liberals denounced the action in the strongest possible terms. Bill Clinton called it ''costly, irresponsible and regressive.'' The New York Times said, ''Seldom have so many voted for a gargantuan tax cut for so few.'' Robert McIntyre of the far-left Citizens for Tax Justice told CBS News that supporters of repeal have done nothing but lie about their plan, which he views as nothing but a giveaway to the ultra-wealthy.

The truth is that the burden of the estate tax falls primarily on modest estates, not those of the Bill Gates and Warren Buffetts of the world. The latest data from the Internal Revenue Service tell the story. In 1997, more than 50 percent of all estate and gift taxes were collected from estates under $5 million. Only 20 percent came from the very wealthy, those with estates of more than $20 million.

Furthermore, the effective tax rate (net tax as a share of gross estate) is significantly higher for estates between $5 million and $20 million than on those of more than $20 million. An estate between $2.5 million and $5 million actually pays a higher rate than that paid by estates of more than $20 million—15 percent for the former and 11.8 percent for the latter.

How can this be the case when estate tax rates are steeply progressive, taxing estates of more than $3 million at a 55 percent rate? The answer is that estate planning can eliminate the tax if someone wants to spend sufficient time and money setting up trusts and organizing one's affairs for that purpose. Those with great wealth are far more likely to engage in estate planning than a farmer, small businessman or someone with a modest stock portfolio. Hence, the heaviest burden of the estate tax falls not on the very wealthy, but the slightly well-to-do.

The government gets more than two-thirds of all estate tax revenue from estates under $10 million. The idea that taxing the stuffing out of such estates does anything to equalize the distribution of wealth in America is ludicrous. All it does is prevent those with modest assets from becoming wealthy. Academic research has shown that estate taxes squeeze vital liquidity out of small businesses, often forcing them to sell out to large competitors. Thus the estate tax makes it more difficult for small firms to grow and become large.

Of course, the same people who support high estate taxes also support aggressive use of the antitrust laws to break up big businesses like Microsoft because they lack competition. Yet the estate tax destroys many potential competitors in their cribs, before they are strong enough to challenge entrenched corporate elites.

One could, perhaps, make a case for a heavy estate tax if there were evidence a large share of the nation's wealthiest families got that way through inheritances. But this, in fact, is not the case in America and never has been. A 1961 study by the Brookings Institution found that only 6 percent of the wealthy acquired most of their assets through inheritance. Sixty-two percent reported no inheritances whatsoever.

A 1995 study by the Rand Corp. got similar results. It found that among the top 5 percent of households, ranked by wealth, inheritances accounted for just 8 percent of assets. A 1998 study by U.S. Trust Corp. found that among the wealthiest 1 percent of Americans, inheritances were a significant source of wealth for just 10 percent of them.

The truth is that most of the wealthy in America—even the billionaires—made it themselves. They weren't born with silver spoons in their mouths, living off the industry of their parents or grandparents. Most of the very wealthy got that way because they started businesses and took enormous risks that paid off. According to the latest Forbes 400 list of American's wealthiest people, 251 were self-made.

And among the modestly wealthy, with fortunes in the low seven digits, many got that way simply because they saved and invested for retirement the way all financial advisers say people should. The T. Rowe Price website, for example, advises that people need $20 in saving for every $1 they will need in retirement over and above Social Security. This means that to have $50,000 per year in retirement income a couple will need $1 million in assets.

It simply defies logic to tell people they need to save for retirement and then punish them for doing so by threatening to confiscate their estates after death. And it is absurd to tell such people they are the unworthy rich, who merely won life's lottery, when every penny they have came from their own hard work and investment. Yet that is what those fighting estate tax repeal are doing.

If it were only the very wealthy supporting estate tax repeal, there is no way estate tax repeal would have garnered 279 votes, including 65 Democrats. It is precisely because the estate tax is more of a tax on the middle class than the left believes it to be that the repeal effort has gotten so far. It is not Bill Gates and Warren Buffett out there pushing for repeal, but ordinary Americans who just don't want the Internal Revenue Service to be their estate's primary beneficiary.

Mr. KYL. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. KYL. A good opportunity to summarize:

I support what Senator ROTH said earlier this morning. The Democratic alternative is no alternative at all because it relies upon a definition in the code that virtually no one can meet.

Only 3 to 5 percent of the estates qualify. That is why the Democratic alternative is no alternative at all. Is this only me speaking? No. All of the farm and small business organizations agree. They support the Republican alternative, not the Democratic alternative. I think the best test of which one of these plans best meets their needs is to ask the people who are most affected. They answer resoundingly that it is the Republican plan that best meets our needs; it is the Republican plan that we support.

For that reason, when it comes to choosing between the alternative—you have to make a choice here—the Republican alternative, which passed the House of Representatives with strong bipartisan support, is the one that should be supported and the Democratic should be rejected.

Mr. REID. I yield 5 minutes to the Senator from North Dakota.

Mr. MOYNIHAN. Will the Senator defer to me for just 3 minutes?

Mr. DORGAN. Yes.

Mr. MOYNIHAN. Mr. President, it is with some potential embarrassment that I stand here and say I may be the only person in the Senate who lives on a farm and has done so for 36 years. It is a dairy farm, with cows in the pasture and in the barn. The neighbors are all dairy farmers—not all, but most.

Meaning no disrespect, if anyone presumes to think that the American Farm Bureau speaks for the farmers of

Delaware County, they have not been in Delaware County. An insurance firm looks after a very small number of very well-to-do people. In New York State, according to Ray Christensen, who was the Delaware County Republican supervisor before he became assistant commissioner of the Department of Agriculture and Markets, the average sale price of a farm is about $257,000.

Here—quite unexpected, but very welcome—in this morning's New York Times, the lead article of the business section talks about the Democratic estate tax plan. It cites Neil Harl, an Iowa State University economist who is a leading estate tax adviser to Midwestern farmers. He says that only a handful of working family farms have a net worth of $4 million.

> Above that, with very few exceptions, you are talking about the Ted Turners who own huge ranches and are not working farmers.

Mr. Harl said he was surprised that farmers were not calling lawmakers to demand that they take the President up on his promise—which the President has promised—to sign the Democratic bill. The article concludes:

> Professor Harl, the Iowa State University estate tax expert, said that he had heard many horror stories about people having to sell farms to pay estate taxes. But in 35 years of conducting estate tax seminars for farmers, he added, ''I have pushed and pushed and hunted and probed and have not been able to find a single case where estate taxes caused the sale of a family farm; it is a myth.''

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 5 minutes.

Mr. DORGAN. Mr. President, I sat here in wonder at the description just offered by a couple of Senators about this proposal to repeal the estate tax. It is a proposal that is dressed with language saying that this is to help family farmers and small businesses. Yet when you remove the disguise, what you have are people pulling uphill a bag of goodies for the largest estates and the wealthiest people in this country. Clarence Darrow, at the end of his life and long career in law, once said, ''I have long suffered from being misunderstood.'' Then he said, ''I may have suffered more had I been understood.'' This proposal by the Republicans is going to suffer by being understood in this debate and by the American people. Let's understand what it is. First of all, we all agree that we ought to essentially repeal the estate tax for small businesses and family farms. We all agree on that. In fact, as the Senator from New York said, the New York Times article today says:

> Two prominent experts in estate taxes said yesterday that the Democrats were offering a much better deal to small business owners and farmers, because the relief under their bill would be immediate and the estate tax would be eliminated for nearly all of them.
>
> ''The fact is that the Democrats are making the better offer''—and I am a Republican saying that—''said Sanford Schlesinger of the law firm of Kaye, Scholer, Fierman, Hays, and Handler of New York.''

What the Democrats offer is a much better deal. It repeals the estate tax for all family farms and small businesses. Put that offer on the table. We repeal it more quickly. What is left is that the Republicans have decided they insist on repealing the estate tax for the wealthiest families in this country—$300 billion to $400 billion for additional tax relief for the wealthiest estates here in America. That is what they insist upon.

What else could we do with this? They insist that money be used to give tax relief to the wealthiest in this country. Well, we could probably reduce the Federal debt. Would that be better than giving tax relief to somebody who dies and leaves a $1 billion estate? The heirs will only get $700 million or $800 million, and there will be money paid on an estate tax on the estate. Perhaps that money could be used to reduce the Federal debt. Would that be a gift to America's children? I think so.

Perhaps it can go to the prescription drug benefit in the Medicare program. How about using the money for that? Would that be more important than easing the tax burdens on the largest estates in the country? I believe so.

A series of things that would be a better use of those funds ought to be debated today. A USA Today editorial says:

> But behind the caterwauling about the death tax, the truth is quite different. Most people will never be affected by inheritance taxes: 98 percent of all estates aren't big enough to be liable. Even among the elite 2 percent, very few are farmers and small business folks. But there are better ways to spend $50 million a year than handing it to the heirs of the wealthiest people in the country. Take your pick: Middle class tax cut, improved health benefits for seniors, or paying down the national debt, for starters.

Those are the choices. The Republican side of the aisle says, no, let's not just repeal the estate tax on small business and family farms, let's repeal it on the wealthiest estates in America and claim that what we are trying to do is protect farmers and small business people.

Well, I don't think they appreciate being used that way. Farmers and small business people don't appreciate being used by someone who wants to take the $300 billion or $400 billion in tax relief that will accrue to the wealthiest American families and be told that somehow this is really for farmers and small businesses.

The New York Times article today says something else:

> There is one reason that the American Farm Bureau Federation and the NFIB, National Federation of Independent Business, are not supporting the Democratic plan. Despite the fact that it is better for family farmers and small business, one reason may be that leading the call for the repeal of the tax, the two organizations representing merchants and farmers have done little to tell their members about the Democratic plan. Interviews this week with a half dozen people whom the two organizations offered as spokespeople on the estate tax showed that only one of them had any awareness or understanding of the Democratic plan.

Here you have two organizations—the American Farm Bureau Federation and the NFIB—running around Washington saying they represent farmers and family businesses, and they are supporting the wrong program. They are supporting a repeal proposal that is less advantageous for family farmers and small businesses. And they tell their folks back home that they are doing their business. Nonsense. You have two competing plans. Both of them would repeal the estate tax for family farms and small businesses. But the Republican plan says we must go further and we must give $300 billion to $400 billion in additional tax cuts in the next 10 years and make sure those tax cuts go to the wealthiest estates in America.

We say that is not the right set of priorities for this country. I have heard this out-of-breath discussion. The folks who talk about disguising public policy and debate around here are absolutely correct. You can't disguise what you are doing here in terms of a large tax cut for the wealthiest American estates by saying this goes to family farmers and small business. It doesn't.

The proposal we offer is the one that will exempt family farms and small business.

The proposal they offer is the one that will give hundreds of billions of dollars to the largest estates in America—$250 billion in tax benefits to the 400 wealthiest families in America.

Is that the priority? It is for them. It is not for us.

There are other needs and interests: prescription drugs for Medicare; as I have mentioned, paying down the Federal debt; tax relief for middle-income families. There are so many things that are so important that we could do in public policy here today. Instead, we are debating a plan that says, let us at this time and in this place provide the largest tax cut in history to the wealthiest estates in America.

That doesn't make sense, no matter how you debate it.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I yield myself 10 minutes from leader time.

Mr. President, I wish to make a few comments concerning the proposal, but also on the issue. I, for one, am disappointed that we had to file cloture on a motion to proceed to take up this bill. That took a long time. I am disappointed to see that now we may have a list of 10 amendments on each side, most of which have very little, if anything, to do with the underlying issue of estate tax repeal or reduction.

In other words, it is unfortunate, but a lot of people want to play politics, or they want to have a lot of different amendments that have nothing to do with this issue.

The American people want tax relief. They want to eliminate one of the most unfair taxes in America. Some people ask: Why are you doing this? Doesn't it only apply to 2 percent of the American people? The tax applies to a lot more than 2 percent of the American people. A lot of people aren't aware of the fact that they may well have to pay the tax. It is a very punitive tax.

Again, I have heard my Democrat colleagues say they are willing to increase the exemptions so we can increase the number of people who pay zero and, therefore, make the problem go away. The tax doesn't go away.

We are dealing with this tax on death. The Federal Government is saying, if you die and you happen to have an estate right now above the exemption amount, the Federal Government is going to come in and take at least 37 percent of what you have left if you have a taxable estate. If you have a taxable estate of $1 million, the Government wants 39 percent; if it is $3 million, 55 percent. That is pretty high. If you have a taxable estate of between $10 million and $17 million, the rate is 60 percent.

What is fair about that, whether it is 1 percent or 10 percent of the American people paying it? What is fair about the Government taking 60 percent of somebody's business or their property, for which they worked their entire life. For the Government to come in and say, ''We want over half of it''? Absolutely nothing is right about that. Where is the justice in society, even if it is only one person? Shouldn't we have a Tax Code that is fair for all? Is it fair to say 1 percent or 2 percent or 5 percent, we are going to take half of your property? Is that justified?

I thought Government was supposed to protect our property not confiscate it. An individual should not be subject to extra burden because they have been successful. Maybe you start a small business and it grows, and you have no interest in taking the money out of the business. You want it to grow. You want your kids to take over or maybe your grandkids to take it over.

There are millions of businesses in America today where the second or third generations want to grow, build, and expand. They are not trying to sell it so they can hand their kids a lot of wealth. They want their kids to have a business where they can continue to grow it, employ more people, and provide a product and a service. Then Uncle Sam comes in and says: Sorry you are too successful. We want 50 percent or 60 percent of what you have.

That is currently the law. If we adopt the Democrats' substitute, it will stay that way.

Last year, only 902 out of 47,000 estates, as pointed out by Chairman ROTH, qualified as small businesses or as family farms. A whole lot of farms and a whole lot of businesses that think they would qualify for the exemption will find out that the IRS has written these regulations pretty tight, and they don't qualify. All of a sudden, their business is hit with a very high tax. Let's say a restaurant business is bigger than $5 million. Say you have a couple of restaurants in Denver or maybe in Delaware and you build a nice restaurant worth a couple million dollars. You work hard every night. Maybe you have two restaurants, and the net value of the estate is $6 million. Uncle Sam is going to come in and say, under the Democrats' proposal, maybe we will give you a $2 million exemption, but for $4 million of it, you are going to be taxed.

Do you start the tax rate at 18 percent? No. Under the Democrats' proposal, you start at the taxable rate of 37 percent. By the third million dollars, you are at 55 percent. The tax that you are going to owe is $1.5 million. The restaurant doesn't have it. How do you pay? You have to sell it. Instead of somebody being able to keep that restaurant and pass it on to the third generation, you have to sell it because you do not have the $1.5 million you owe in taxes. It may be worth $3 million, but you do not have $1.5 million in cash. Now you have to sell it, and the Government is responsible for destroying a business. Maybe someone else will pick it up; maybe not. Maybe the person who picks it up doesn't have the same interest in the employees or the same real interest in the business. Who knows?

My point is that Government shouldn't be confiscating property because somebody dies.

The proposal that passed with overwhelming bipartisanship in the House, by a two-thirds majority, two to one, said eliminates the death tax. Let's make it taxable when the property is sold. When someone dies, his or her children should be able to inherit the restaurant. If their kids want to keep operating the restaurant, they should not be taxed. The tax should be incurred when the restaurant is sold. It should be taxed at a capital gains rate of 20 percent instead of 55 or 60 percent.

That makes more sense. When they sell it, guess what? They have the cash. They can pay the tax. The tax rate is reasonable. It makes sense. It is 20 percent, not 55.

So the idea that we are going to exempt this greater percentage of the estate doesn't eliminate the unfairness of the tax. It doesn't even do what President Clinton said that he may be willing to do. The President, spoke to the Governors on July 10, just a couple of days ago, and said: ''We provided some estate tax relief in 1997. I really didn't think it was enough. I think there should be more.''

I was involved in the conference in 1997. I will tell you that Secretary Rubin totally opposed this measure in estate tax relief throughout the entire process. Assistant Secretary Summers was also completely opposed to it. For the President to say he really wanted to do more is factually incorrect, or maybe his Treasury Secretary was not representing his interests. Maybe his Assistant Secretary of Treasury, Larry Summers, who at that time in 1997 said, ''In terms of substantive arguments, the evidence is about as bad as it gets. When it comes to the estate tax, there is no case other than selfishness.''

That was Larry Summers position in 1997. That was when we were negotiating the tax bill in 1997, on which the President now says he wanted to do more. I find that to be very interesting.

The President also said to the Governors—''I mean, you could argue the rates are too high because they are higher than the maximum income rates now, and that is something that didn't used to be the case.''

That is right. The maximum estate tax rates that I just mentioned go up to 55 percent and 60 percent for the biggest estates, because we phased out the gradual phasing in of the rates. For a taxable estate between $10 million and $17 million, the rate is 55 percent; above $17 million, it is 60 percent.

The maximum personal income tax rate is 39.6 percent—actually it is higher than that because the President eliminates other deductions and exemptions and has no limit on Medicare tax—he is implying he would be willing to reduce the maximum estate tax from 55 to 39.6. That is a step in the right direction, because rates are the problem.

The Democratic proposal does not effect the rates. It only increases exemption. If we have an estate beyond that exemption—and there are millions of farms and ranches and businesses above it; they are $2 million, $4 million, $6 million—they are hit with the rate. Because of the unified credit, you are taxed at 37 percent.

What we did in the Republican proposal that passed the House, was change the unified credit to an exemption. Once a person is above the exemption amount, they begin paying estate taxes at 18 percent, not 37 percent. The bipartisan proposal that passed the House, that we will vote on, that Chairman ROTH has been pushing, gives tax relief for people who pay estate taxes; they start paying at 18 percent instead of 37 percent. We changed the credit to an exemption and that benefits the lower value of estates that are taxable.

This rhetoric that we are exempting the big estates is hogwash. Big estates pay capital gains when those properties

are sold. They will pay when that property is sold—not when someone dies. That rate will be 20 percent. That makes sense. The tax is paid when the property is sold, not when someone dies.

Too many people are faced with the very unfortunate circumstance which I faced when my dad died. I was young. My father passed away, and we had a manufacturing company. The book value of that manufacturing company was zero. The Government claimed it was worth a lot. We fought the IRS for 7 years over the value of the company. We ended up writing a big check and settling with the IRS. The Government wanted a big chunk of the Nickles Machine Corporation. They said it was worth much more than we did. How do we know what the value is unless we sell it? The Government was trying to force us to sell the company.

I am afraid this is happening today in millions of cases all across the country. People are aware that this may happen, so they start planning: What shall I do? Maybe I will start giving stock to my kids. Maybe the kids want to be in the business, maybe they don't want to be in the business. There are schemes. People who have big estates create foundations. They do all kinds of things to avoid the tax.

There are millions of Americans who don't know the tax is coming. If they do, they are worried about it, or they contain their plans, or they don't grow their businesses. That is yet another negative consequence of the death tax. They say: Why should I grow this business? I will pass away, and the Government will get over half. Why should we ''grow it'' if the Government is going to take half of it?

As a result many new jobs are not created. Many economic transactions do not take place because of the Government's heavy hand coming in. That is in addition to the fact that they taxed the property when it was originally received or as it earned income year by year.

This is one of the most unfair taxes on the books—maybe the most unfair tax we have on the books today. It needs to be repealed. An exemption will not cure the problem. It may garner support from some groups, but it is not adequate. Anybody who reads the definition of ''farm'' and ''business'' will realize they do not qualify for the exemption.

The Democrat substitute is not feasible and it should not pass. I urge my colleagues to vote against the Democrat substitute and vote in favor of the Roth amendment.

I hope we will be voting on both before too long and I hope those are the only two votes we have on this bill. I understand we may be voting on twenty amendments regarding taxes in general. I think we should be considering amendments relevant to estate taxes only. These extraneous amendments do not help the process, they just slow it down.

I yield the floor.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Nevada.

Mr. REID. I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. I yield myself 4 minutes.

Mr. President, with all due respect to the Senator from Oklahoma, I think the two Senators from North Dakota spelled out very clearly and convincingly the differences between the position taken by the Republican majority, and the alternative proposed by Democrats. The Democratic proposal basically and fairly addresses legitimate concerns in the estate tax by essentially removing the estate tax from small farms and businesses. That presentation has been made effectively by the Democrats. I don't think anything that has been said in the recent moments undermines the credibility of the Democratic position. I think the Democratic alternative proposal reflects the views of the overwhelming majority of the Democrats on this issue.

I am somewhat amazed as we come into the final days of this period of the Congress that we are talking about how we are going to reduce the taxes for the wealthiest 2,400 Americans. These people pay half of all current estate taxes. In the outer years, the second decade after a repeal, the 400 wealthiest families in this country would save $250 billion in taxes under the Republican plan. That explains why some of our colleagues on the other side insist that we spend the Senate's limited time addressing only the concerns of the wealthy.

The fact is, we have 10 million Americans today who would benefit from an increase in the minimum wage. We know the minimum wage has fallen substantially behind in its purchasing power. Why isn't the Senate of the United States debating what we will do for the 10 million hard-working Americans, working 40 hours a week, 52 weeks of the year, in some of the most challenging jobs in our society? What is it about the priorities of the Republicans trying to protect the interests of the very wealthiest individuals in our society, rather than trying to deal with the hard-working Americans who are at lower levels of the economic ladder—in this case, hard-working Americans making minimum wage? Many of these workers are women, including women who have children; and a significant number are men and women of color. This is a family issue. It is a children's issue. It is basically a fairness issue.

No, the Republicans with this issue want to reduce taxes on the wealthiest individuals, $250 billion additional for the 400 wealthiest families in this country. Should that surprise Members? No. I look back to the debate from the mid-1990s. Perhaps some Members remember the famous tax loophole called the Benedict Arnold tax loophole that permits Americans to accumulate billions and billions of dollars in this great land. And then what does a citizen do? He basically renounces his citizenship and takes those billions of dollars out of the country, tax free. It is the Benedict Arnold tax loophole.

I went over the various votes we had to end this deplorable practice. We voted at least seven times on that. Every time we had a sense-of-the-Senate resolution that was non-binding, our Republican friends voted with us to eliminate this Billionaire tax loophole, but when had substantive votes to actually do something about it, they voted against us.

Just about a month ago, in May the Wall Street Journal reported that the loopholes enabling the super-rich to renounce their citizenship and avoid tax remain. The loopholes in the expatriate tax law are so big that you could fly a jumbo jet through them. The basic Benedict Arnold loophole remains alive and well—costing the Treasury billions and billions of dollars.

President Clinton has joined Democrats in repeatedly proposing to end all of the loopholes. His February 2000 budget includes repeal. But we see no action from the Republicans. We only see them wanting to add more escape hatches for the super-rich.

Why is it that the Republicans are so prepared to protect the financial interests of the wealthiest individuals? We ought to be taking these resources and investing them in our schools. We need significant investments in education so that our children can attend modern schools, schools that are worthwhile for their attendance, schools with small class sizes, and schools with trained teachers. Many Republicans talk about these needs, but when it comes to action, they want to focus on adding to the riches of the rich. The nation deserves much better than this estate tax repeal plan.

We ought to be debating here this afternoon the interest in a prescription drug program that will look after 40 million Americans, instead of 2,400.

It is very clear what the priorities are. The other side, the Republicans, are looking after the financial interests of the wealthiest individuals in this country, and many of us believe that we, at this time, ought to be debating what we are going to do to protect the hard-working Americans who are making the minimum wage, those senior citizens who need a prescription drug coverage, or the children of this country who need new, modern schools. That is what the issue ought to be.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I congratulate the Senator from Massachusetts on his remarks. They were precise. They were telling. It is a baffling matter. Forty million Americans need a minimum wage increase and we are here on the floor talking about 2,400, who wish to avoid all the estate taxes which Theodore Roosevelt began in this Nation. At the end of the century in which he started it, we want to get rid of it. It is baffling.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, the Senator from Montana would like to speak for, I believe, 5 minutes.

Mr. REID. Mr. President, the Senator from Montana is yielded—there is 1 minute left on the bill, and 4 minutes from the 90 minutes.

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

Mr. BAUCUS. Mr. President, a lot has been said about this issue on both sides, the bill offered by the majority and the Democratic alternative, how best to deal with estate taxes. As often is the case, there is a lot of rhetoric flying around here, a lot of claims, a lot of words. It is, I am sure, difficult for the American public who may be listening to this debate to try to ascertain the facts. Most people would like to know which bill does make more sense, after hearing all the debate and all the rhetoric. I would like to do what I can to give some honest facts and let the people decide for themselves.

One is the statement made by the Senator from Arizona, Mr. KYL, that the Treasury Department, in estimating the cost of their bill, did not look at the capital gains effect. That is just not true. The fact is the Treasury Department did look at the capital gains effect in the second 10 years of the bill. That figure, $750 billion in cost, is an accurate figure. That is a fact.

Second, the point was made—and by other Senators—that the small business exemption in the Democratic bill is too complicated; farmers, ranchers, and small businesses just cannot qualify. The fact is, No. 1, there has to be some provision in the code which indicates who does and who does not qualify for an exemption. There has to be some set of guidelines. There are guidelines which were modified in 1997 on a bipartisan basis by both Republicans and Democrats. That is in the law today.

I might say, too, we, in our bill, by raising the small business exemption for small businesses and family farms—and also, I might add, unified credit—do give great relief to farmers and ranchers, not only in the first year but the second year and all the years that are contained in this bill; whereas, in the House-passed bill, even though they might complain about the provision of the law which gives exemption, there is nothing advocated by the majority side which deals with anything that would help farmers and ranchers in the family-held exemption.

Basically, the fact is, if you are a farmer or rancher or if you are a small business person and you are trying to decide which of these two bills is going to help you the most, it is clear; it is black and white. The Democratic alternative is going to help farmers and ranchers, small business people—family-held businesses—dramatically more in the first year, the second year, the third year, the fourth year, and forever; whereas, in the House-passed bill, there is virtually no help to farmers and ranchers and business people until the 10th year, when it is automatically repealed.

I might also add, the cost is a matter of concern. Here we are in Congress, trying to give estimates as to what the budget surplus will be in the next 10 years, the next 20 years. That is a hard thing to do, but we do our best. Ironically, because we did not want the measures to be backloaded too much the second 5 years, we have now asked for 10-year estimates instead of 5-year estimates. The net effect of that is it blows up the surpluses so they look so large.

The difficulty is those are only projections. That is all they are; they are just projections. At the same time, we are here today talking about law. We are discussing what a new law should be and how much taxes should be reduced. On the one hand, it is projections; on the other hand, it is the cold reality of law.

I do not know if this is going to happen; nobody knows, but it could well be that 5 years from now, 10 years from now, the economy might not be doing so well; the projections might be off. I do not know if it is wise—I am only talking about wisdom here—to pass a tax reduction bill which does not take effect, in a sense, for another 10 years, which is so dramatic in its reduction of taxes at a time when we really do not know what the economic picture of the country will be.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. BAUCUS. I would love to yield, yes.

Mr. MOYNIHAN. Does he not recall that in 1980 the Office of Management and Budget projected a large surplus for the Federal budget in the coming 5 years?

Mr. BAUCUS. I recall it very well.

Mr. MOYNIHAN. Just as we were plunging into the deepest deficits?

Mr. BAUCUS. It is vivid in my mind.

The PRESIDING OFFICER. The 4 minutes of the Senator have expired.

Mr. BAUCUS. I think I had 1 minute more.

The PRESIDING OFFICER. The additional minute has also expired.

Mr. REID. The Senator is yielded another 2 minutes.

Mr. BAUCUS. I thank my friend from Nevada.

I will sum up because these are the facts. We have a choice: It is the House-passed bill or the Democratic alternative. The House-passed bill gives no relief, no estate is exempted under the House-passed bill, none, for 10 years—none. On the Democratic alternative, the vast majority of farmers and ranchers and small business people—family held—are exempt from paying estate taxes. That is a fact.

Fact No. 2: The Democratic alternative is less expensive. Why? Because it does not totally repeal the estate tax, the effect being for the very wealthy taxpayers. That is a fact.

Do we want to repeal the estate tax for the most wealthy taxpayers? I submit, because we are dealing with budget estimates, we do not know what the outyears are going to be. Because the House bill does not take effect for 10 years anyway, it makes sense to pass measures which do not repeal for the most wealthy, but, rather, save some of that for debt reduction, for education tax credits, or for other matters that, really, more American people really care more about than total tax relief for the most wealthy. That is really the question here.

I think most Americans, when they look at the facts of the bill and ask themselves which of those two choices makes the more sense, would think discretion is the better part of valor here. We cannot have everything. There is moderation in everything. The most moderate, balanced way is to say: OK, let's address the problem we are most concerned with—small businesses, farmers, and ranchers—because that is what is most important; but let's not do everything because we live in a society where we have to work things out on a fair, balanced basis and take things a step at a time.

Most Americans are very balanced, have common sense and lots of wisdom. That is the way we should go.

Mr. MOYNIHAN. Well said.

The PRESIDING OFFICER. The time of the Senators has expired.

Mr. ROTH. Mr. President, I yield myself such time as I may use.

Too often in our debates on the Senate floor, we lose touch with what really is at issue. What we do here, the decisions we make, affect real people. For that reason I want to take a moment and read a letter I recently received.

DEAR SENATOR ROTH: I am a 14 year old boy, living in New York, and though my knowledge of the law is very minuscule, I know one thing, the Estate Tax is wrong. I have considered myself a Democrat for all of my life, volunteering for Bill Bradley for President and my local Congresswoman from New York's 14th District, Carolyn Maloney, but on this issue I must side with the opposition.

I shall explain to you why I am so opposed. My Grandfather on my mother's side bought

his house in 1945 in Winnetka, Illinois for $10,000. He was a doctor. Back then, Winnetka was a ''dry'' town, alcohol was prohibited. Today, Winnetka is one of the rich suburbs of Chicago and my Grandmother, 86 years old, lives alone in the same home without my Grandfather who passed away in 1982. The house today, not a thing changed since 1945, is worth around $2 to 3 million. It pains me to say this, but my Grandmother could pass any day and her house, her belongings, everything my Grandfather worked for 50 years as Doctor, helping others, could be gone. She is not rich, in fact, she has nothing except for her house and her furniture.

I hope that you understand my staunch opposition to the Estate Tax and I hope that you will vote to repeal the Estate Tax. Thank you for reading this, could you please respond to my inquiry:

Thank you.

ALEXANDER LEVENTHAL.

I hope young Mr. Leventhal, and his grandmother, do not mind that I read his letter before the Senate. I hope that they will accept a verbal response to his letter, and I hope that this Senate will vote to give them the response they and millions others deserve: repeal of the death tax.

This family, separated by hundreds of miles and generations, should not have to worry about the fate of their grandfather's house. No family, no farmer, and no small business person should have to worry about this sort of thing. It is bad enough that they have to lose sleep over the worry, but the loss, as young Mr. Leventhal so accurately points out, can be so much greater. It is a house, it is a farm, it is a business, it is savings, that a family has worked for throughout a lifetime. One lifetime comes to an end, and suddenly the entire family's memories of the past and dreams for the future can come to an end as well.

As we all know, no one individual creates a farm or a business by themselves. The whole family sacrifices to it. They sacrifice by having a parent, or both parents, away when they could have been home. They contribute by seeing money that could have been taken out of the farm or business and spent, instead reinvested into growing the farm or business for the family, and, of course, the family contributes their work. Family members do not punch a time card when they work on their family's farm or in their family's business. Their work is part of being a member of the family. They do not see all they worked for just in earnings—they see much of it in a growing family enterprise.

Yet when one member of that family dies, they see a tax bill for income they never received. For income they never wanted—at least not as much as they wanted to grow their family's farm or business. But because the tax bill is so big and their earnings went back into the family's enterprise, they have to sell the family's farm or small business. Not because they need the money, or even because they want the money, but because the Federal Government in Washington does, and the Federal Government demands they sell it in order to pay those who never worked a day on their farm or a minute in their business or, as in the case of Alexander Leventhal, never lived a day in his grandfather's house in Winnetka.

Where is the justice in this? I am sure Mr. Leventhal would like to hear it.

I have heard some say that taxing at death is the only way some income will ever be taxed. Of course, this is not true. It will be taxed when it is realized—when a farm, a business, a house is sold—when it actually exists for a family. These are not people who dodge taxes, as the apologists for a confiscatory death tax try to make them. It is nothing less than a desperate attempt to defend the indefensible.

These are people who never saw the income because it never existed for them. It was in their farms and businesses. They should not be taxed on some make-believe basis at a time to be decided by the Government. When they sell their farms and businesses, they will pay tax on it. Until the family decides to, when it is right for the family, what place is it for the Government to come in and tell them that they have to sell what often is the very purpose for which that family worked and wants to continue to work?

I see no justice in that. I cannot believe anyone on this Senate floor could see any justice in that. But most important, no one outside this Chamber—certainly not Alexander Leventhal, his grandmother or any one of millions upon millions of hardworking Americans—see any justice in that.

It is time to repeal the death tax. It has always been unfair. Today, in a time of growing surpluses, it is no longer even necessary. I hope my colleagues will take to heart not my admonition, but that of my letter writer: ''I hope that you understand my staunch opposition to the Estate Tax and I hope that you will vote to repeal the Estate Tax.''

Alexander, I will and I hope my colleagues will as well.

I believe time has run out. Mr. President, I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, I believe our time has expired.

The PRESIDING OFFICER. The Senator is correct.

Mr. REID. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The question is on agreeing to amendment No. 3821. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 180 Leg.]

YEAS—46

Akaka	Feingold	Lieberman
Baucus	Feinstein	Lincoln
Bayh	Graham	Mikulski
Biden	Harkin	Moynihan
Bingaman	Hollings	Murray
Boxer	Inouye	Reed
Breaux	Jeffords	Reid
Bryan	Johnson	Robb
Byrd	Kennedy	Rockefeller
Chafee, L.	Kerrey	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Specter
Daschle	Landrieu	Torricelli
Dorgan	Lautenberg	Wyden
Durbin	Leahy	
Edwards	Levin	

NAYS—53

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner
Enzi	McCain	Wellstone
Fitzgerald	McConnell	

NOT VOTING—1

Dodd

The amendment (No. 3821) was rejected.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I believe it is the majority's opportunity to offer an amendment.

The PRESIDING OFFICER. The Senator from Utah is recognized.

AMENDMENT NO. 3823

Mr. HATCH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes an amendment numbered 3823.

Mr. HATCH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to provide a permanent extension of the credit for increasing research activities)

At the end, add the following:

TITLE VI—PERMANENT EXTENSION OF RESEARCH CREDIT

SEC. 601. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) is amended by striking subparagraph (D).

Mr. HATCH. Mr. President, this amendment is a simple one. It would permanently extend the research and experimentation tax credit—a tax provision that has been instrumental in helping to keep our economic growth robust over the past decade.

Let me explain why this amendment is necessary.

Last July, this body voted to extend the research credit permanently. Unfortunately, the House version of last year's tax bill included only a five-year extension of the credit. The five-year extension prevailed in conference. Of course, last summer's tax bill was vetoed by the President.

Fortunately, however, last November, Congress passed and the President signed the Ticket to Work and Work Incentives Improvement Act, which included the five-year extension of the research credit. Therefore, the credit has been extended to June 30, 2004.

And, in 2004, corporate America will have to go through this rigmarole again. This tax credit has been on and off, extended and expired, a legislative certainty or a legislative football almost more times than anyone can count.

Anyone in this body who has been in business for more than 10 minutes knows that planning and budgeting—unlike what we do here in Congress—is a multiyear process. And, anyone who has been involved in research knows that the scientific enterprise does not fit neatly into calendar or fiscal year.

Our treatment of the R&E tax credit—that is, allowing it to run to the brink of expiration and reviving it at the 11th hour—is a disservice to our research entities and, yes, our whole country.

It is time to get serious about our commitment to a tax credit that is widely believed by economists and business leaders to be one of the most effective provisions in creating economic growth and keeping this country on the leading edge of high technology in the world.

This amendment gives us an opportunity to reaffirm our commitment.

A large number of the Members of this body, on both sides of the aisle, are on record in support of a permanent research credit. Indeed, S. 680, the research credit permanence bill that my colleague from Montana, Senator BAUCUS, and I introduced last year, enjoys the support of 26 Democrats and 20 Republicans. In addition, a permanent research credit was included in Democratic alternative to last summer's tax bill, which was supported by 39 Democrats. Moreover, both Governor Bush and Vice President GORE support a permanent research credit.

But, while practically everyone says they support a permanent research credit, it has become too easy for Congress to fall into its two-decade-long practice of merely extending the credit for a year or two, or even five years, and then not worrying about it until it is time to extend it again.

These short-term extensions have occurred ten times since 1981, Mr. President. Ten short-term extensions for a tax credit that most members of this body strongly support. I am not sure if we realize how the lack of permanence of the credit damages the effectiveness of the research credit.

Research and development projects typically take a number of years and may even last longer than a decade. As our business leaders plan these projects, they need to know whether or not they can count on this tax credit.

The current uncertainty surrounding the credit has induced businesses to allocate significantly less to research than they otherwise would if they knew the tax credit would be available. This uncertainty undermines the entire purpose of the credit. For the government and the American people to maximize the return on their investment in U.S. based research and development, this credit must be made permanent. And now is the time to do so.

During the ten times in the past 19 years that Congress has extended the research credit for a short time, the ostensible reason has been a lack of revenue. The excuse we give to constituents is that we didn't have the money to extend the bill permanently. Ironically, it costs at least as much in terms of lost revenue, in the long run, to enact short-term extensions as it does to extend it permanently.

With the latest projections of the on-budget surplus, for one year, for five years, and for ten years, this excuse is gone. There is simply no valid reason that the research credit should not be extended on a permanent basis.

Moreover, now is the time to extend the provision permanently. By making the research credit permanent now, we will send a strong signal to the business community that a new era of stronger support for research has dawned.

The timing could not be better because, as I mentioned, many research projects, especially those in pharmaceuticals and biotechnology, must be planned and budgeted for months and even years in advance. The more uncertain the long-term future of the research credit is, the smaller the potential of the credit to stimulate increased research. Simply knowing of the reliability of a permanent research credit will give a boost to the amount of research performed, even before the current credit expires in 2004.

My home state of Utah is a good example of how state economies benefit from the research tax credit. Utah is home to a large number of firms who invest a high percentage of their revenue on research and development.

For example, between Salt Lake City and Provo lies one of the world's biggest stretches of software and computer engineering firms. This area, which was named ''Software Valley'' by Business Week, is a significant example of one of a growing number of thriving high tech commercial regions outside California's Silicon Valley. Newsweek magazine included Utah among the top ten information technology centers in the world. The Utah Information Technologies Association estimates that Utah's IT industry consists of 2,427 enterprises, employing 42,328 with revenue of over $7 billion.

In addition, Utah is home to about 700 biotechnology and biomedical firms that employ nearly 9,000 workers. Research and development are the reasons these companies exist. Not only do these companies need to continue conducting a high quality level of research, but this research feeds other industries and, ultimately, consumers. Just ask the patients who have benefited from new drugs or therapies.

In all, there are more than 80,000 employees working in Utah's thousands of technology based companies. Many other states have experienced similar growth in high technology businesses. Research and development is the lifeblood of these firms and hundreds of thousands like them throughout the nation.

Findings from a study conducted by Coopers & Lybrand show that workers in every state will benefit from higher wages if the research credit is made permanent. Payroll increases as a result of gains in productivity stemming from the credit have been estimated to exceed $60 billion over the next 12 years. Furthermore, greater productivity from additional research and development will increase overall economic growth in every state in the Union.

Research and development is essential for long-term economic growth. Innovations in science and technology have fueled the massive economic expansion we have witnessed over the course of the 20th century. These advancements have improved the standard of living for nearly every American. Simply put, the research tax credit is an investment in economic growth, new jobs, and important new products and processes.

In conclusion, if we decide not to make the research credit permanent, we are not limiting the potential growth of our economy? How can we expect the American economy to hold the lead in the global economic race if we allow other countries, which provide huge government direct subsidies, to offer faster tracks than we do?

Making the credit permanent will keep American business ahead of the pack. It will speed economic growth. Innovations resulting from American research and development will continue to improve the standard of living for every person in the U.S. and also worldwide.

Simply put, the costs of not making the research credit permanent are far greater than the costs of making it permanent. As we enter the new millennium, we cannot afford to let the American economy slow down. Now is the time to send a strong message to the world that America intends to retain its position as the world's foremost innovator.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would simply like to say that there is not a word in the remarks of my close friend from Utah with which I would disagree. I have now served 24 years on the Finance Committee, and the last 20 years has been a continued frustration in our disinclination and refusal to make the research and development credit permanent.

It is elemental that research projects go beyond 2, 4, or 20 years. It is elemental and in the interest of society that these projects should take place. We allow the credit to be taken but only in 2-year intervals, as it were, such that there will obviously be some decisions made that it is too risky and maybe they won't do it next time. We always renew it, but at a cost. There is an efficiency cost which is clear.

I, for one, will happily vote in support of the Senator's proposal.

Mr. HATCH. Mr. President, I thank my colleague, who together with Senator ABRAHAM and Senator ROBB, is a cosponsor of this amendment.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I thank my very good friend from Utah for offering this amendment. It is high time that we make the R&D tax credit permanent. It is almost impossible to come up with a reason why it is not permanent. It is like a yo-yo—on for a year and off. Then they have to make it retroactive. It is nuts.

Business abhors uncertainty. If we can make this permanent, that is one uncertainty that can be dispensed with.

Obviously, the United States is going to remain the powerful economic engine in research and development, and the tax credit should be made permanent. It is a key part of that.

I thank my good friend. I am proud to be a cosponsor of his amendment. I hope it passes. Unfortunately, it is on a bill that the President says he will veto. I hope some time between now and then we can find a vehicle and some way to pass this measure.

Mr. HATCH. I am prepared to yield back the balance of our time.

Mr. ROTH. I congratulate the Senator from Utah for raising this very important piece of legislation. As Senator MOYNIHAN said, the two of us have been working continually to try to make this permanent. It is long overdue. I am grateful for initiative on the Senator's part.

Mr. REID. The Senator from Massachusetts desires 3 minutes.

Mr. KENNEDY. Mr. President, I join in commending my friend from Utah on this proposal. We are moving into the life science century with absolutely extraordinary breakthroughs in so many areas.

We want to see a continuation of the R&D from the private sector, with an element of the public sector, as well. I think this Congress has wisely doubled the NIH budget, for example, and also seen an expanded research in other areas of the agencies that we have witnessed in recent times. That has not always been the case in recent times where we have a combination of the opportunity for creativity and expansion in terms of our economy in many fields, particularly the areas of health, are virtually unlimited.

This will make an enormous difference. I congratulate the Senator from Utah. Seeing my friend and colleague, the ranking minority member, I am mindful of the fact during the height of the Japanese recession, when they were hard pressed in terms of their economic future, what did the Japanese Government do? They tripled the R&D budget. We have seen similar examples in Europe. As a result of these incentives in trying to bring more research and development, we have seen the restoration of important economies of the world.

We have a strong economy and we want to keep it this way. Having this permanent will be a very important contribution in ensuring that. I congratulate the Senator. I ask unanimous consent to be a cosponsor of the amendment.

The PRESIDING OFFICER (Mr. HATCH). Without objection, it is so ordered.

Mr. ROTH. I yield 10 minutes to the Senator from Illinois.

Mr. FITZGERALD. Mr. President, I ask consent to use my 10 minutes to speak on the underlying bill, the estate tax measure.

I think there are a couple of issues that need greater attention in this debate over the Federal estate tax. We have an underlying bill sponsored by Senator KYL that will gradually abolish the tax over the next 10 years. The Democrats offered a substitute that was just defeated. The Democrat substitute purported to raise an exemption that is now available in the code for family businesses and for family farms.

There are two points I want to make. One goes to the issue of exactly how much revenue would be lost by abolishing the Federal death tax, or the inheritance tax as it is sometimes called. Last year, the Federal Government took in $24.8 billion in death taxes. If we were to abolish that amount, if we were to abolish that estate tax altogether, we would lose that $24.8 billion. What this debate has been ignoring is that right now when an estate is taxed, the assets passed to the next generation are given, for capital gains purposes, what tax lawyers call ''a stepped-up basis.'' That means any assets your heirs take after the estate tax has been assessed, if they were to sell those assets, they would pay zero in capital gains taxes. When the Federal Government takes in $24.8 billion in estate taxes, it is actually giving up a whole lot in Federal capital gains taxes.

Senator KYL's proposal abolishes the Federal inheritance tax, or the estate tax, over 10 years, but after the estate tax is gone, heirs who take assets inherited from a previous generation will still have to pay capital gains taxes. They will no longer get that so-called stepped-up basis for capital gains purposes. In other words, if you have a grandfather or a father or mother who bought a farm in 1960 for $100,000 and that farm is passed along to the next generation and the heirs take that farm and after their parents have died they decide to sell that farm, they will have to pay capital gains taxes on the difference between the sale price and the original purchase price of their parents. If in the year 2000 they sell that farm that cost $100,000 in 1960 for $1 million, they pay $180,000 in capital gains taxes—20 percent of their capital gain of $900,000.

If they inherited that farm today and, say, their parents' estate had paid the estate tax, without Senator KYL's bill, if they sold that farm for $1 million, they would pay zero in capital gains taxes. Senator KYL's bill is switching from an estate tax rate to a capital gains tax rate. There isn't all this loss of revenue that the other side is talking about.

Somebody on the other side of the aisle brought up the example of the Forbes 400 list and said this would be a $250 billion windfall for them. That ignores that once Senator KYL's bill passes, heirs of the Forbes 400 would all have to pay gigantic capital gains taxes.

I think actually when all is said and done, considering the jobs we will save, the family farms that will be allowed to stay in the families once we have abolished the death tax, family farmers are six times as likely as ordinary Americans to incur the Federal estate tax. That is because they have the classic ill-liquid estate. They may have huge assets in the value of that farmland. They worked all their lives, sweating and paying taxes on every

year's income, and buying that farm with aftertax dollars. It may have taken their entire career in farming to finally pay off the mortgage on their farm and then when they die, the Federal Government is going to take 55 percent of that farm, taking away the fruits of their life labor. They cannot hand it down to the next generation; or the next generation, if they want to keep it, has to incur a huge amount of debt to pay off those Federal estate taxes.

What Senator KYL's bill does is change it so what activates the tax is no longer death. What will activate the tax is when somebody decides to sell a capital asset, such as a family farm or a family business. Then they will pay capital gains taxes. As in ordinary circumstances, when you sell a capital asset, you pay capital gains taxes. Selling would activate the tax. Death would no longer be a taxable event. Wouldn't that be better for everyone if that was the case?

Now, the Democrats made very much of their counterproposal to expand the exemption available under 2057 of the Tax Code. There is a larger exemption for family farms and small businesses that is already in the Tax Code. The Democrats' proposal was to expand that to $4 million for a husband and $4 million for a wife so that potentially a couple could hand down an $8 million farm or $8 million family business. That sounds like a great idea. The only problem is, you have to look at section 2057. When you look at 2057, you realize it is 6 pages long. To be a qualifying family farm or a qualifying small business under section 2057, you have to go through 13 pages worth of hoops. There are innumerable cross-references to other sections in the code, some 64 cross-references just to section 2032A. That is why, as Senator KYL pointed out, only 3 percent to 4 percent of family farms and small businesses in this country can actually qualify for this section 2057 exemption. It is very hard to qualify for it.

In fact, recently, the tax section of the American Bar Association urged Congress to repeal section 2057 because it leaves too great a potential for lawyer malpractice. It is a very complicated provision of the code. It really only offers false hope. It is a mirage. The counterproposal on the other side of the aisle was really a sham. It offered no relief, no safe harbor. No small business, no family farm could have staked much hope on their counterproposal.

Finally, I think it is important that we adopt Senator KYL's measure because it would get rid of the Federal death tax. If you identify cancer in somebody's body, you don't go in and only take out part of it. You have to get it all so it does not grow back again. If we do not get it all, if we do not get this cancer in our Tax Code, there is always the possibility that a future Congress or administration will come back and try to grow it again. In fact, it was only a few years ago that President Clinton was talking about lowering the estate tax threshold so families who had over $200,000 would start incurring the estate tax.

I compliment my colleague, Senator KYL, and others who have worked so hard on this provision. For the State of Illinois, which is a major agricultural producer, the third largest ag State in the country, with some of the highest yielding land in the country, we have thousands of family farms and businesses that revolve around farms—all of rural Illinois outside the Chicago area. Nothing has contributed more to the sale of family farms than the estate tax. When the estate tax went in, back in 1916, keep in mind, we were just developing an income tax in this country. We were just developing a corporate system of taxation in this country. It was all different. The exemption in 1916, to keep pace with inflation, would have to be a $9 million exemption today.

I think it is high time Congress act on this matter. We are simply switching, trading estate tax rates for less onerous capital gains tax rates, and giving the American people, the small businesses and the family farmers, the options to keep their family farms and their businesses within their families for another generation, to continue employing people and keeping our economy productive.

Mr. KENNEDY. Mr. President, I support this amendment to permanently extend the R&D tax credit. I presented a similar amendment last year, and I commend Senator HATCH's leadership on this important issue.

Many have called this the century of life sciences. We are witnessing extraordinary breakthroughs which are both transforming our quality of life and fueling our economy. The R&D tax credit is a proven effective means to generate increased research and development in the life sciences, and it is a key ingredient in the continued success and growth of the nation's economy.

Much of America's technological leadership today and in the past has been stimulated by federal support for private investment in R&D. The Congress has wisely decided to double the NIH budget. We need to continue to strengthen these investments as a top national priority.

A main virtue of the credit is that it encourages investments in the kind of research that ensures long-term competitiveness. Often, private sector research focuses on closer horizons, and the credit is important in encouraging a longer-term focus as well.

Research and development now generate about 5,000 new jobs a year, and significant amounts in taxes for the federal treasury. Federal Reserve Chairman Greenspan has cited increased productivity as the source of our current record breaking economy. It accounts for 70% of our economic growth.

This record-breaking economy provides an unprecedented opportunity for increased creativity and expansion. Particularly in the health field, our ability to increase our R&D investment will make an enormous difference in our fight against disease and in our efforts to improve the quality of life for so many.

Making the R&D tax credit permanent is essential for encouraging continued investment by private industry. Without a permanent credit, industry lacks the certainty needed to make decisions about continuing investments.

A permanent R&D credit will do more to encourage investment in the long-term research projects needed to keep our companies—and our nation—at the cutting edge of competition in the world economy. In the last session of Congress we were able to extend the credit temporarily again. I am hopeful that this year, with bipartisan support, we can make the credit permanent.

The credit has been extended 10 times since 1981. But this on-again off-again pattern makes the credit less reliable, and diminishes the important incentives that the credit can provide.

I am mindful that at the height of the Japanese recession, Japan has managed to triple its R&D budget. European countries are increasing their budgets as well.

Congress should do all it can to give R&D the top priority it deserves. Stable and substantial federal funding is essential for fundamental scientific research. We must also support private investment in fundamental research across a wide spectrum of disciplines. In failing to do so, we run the risk of slowing the nation's economic engines.

I am proud of the leadership of Massachusetts on these issues. According to a study by the Massachusetts Technology Collaborative, the state received $3.45 billion in federal research and development funds in 1997, amounting to 37% of total research and development spending in the state and received the sixth-largest share of federal R&D funding in the nation.

A large number of Massachusetts firms have joined in a letter emphasizing the importance of the R&D credit and I ask unanimous consent that the letter may be printed in the record at the conclusion of my remarks.

The Joint Economic Committee, in two sets of Congressional hearings this year and last year, focused on the important role of science and technology in our society and our economy. Witness after witness testified about the importance of making this credit permanent.

I look forward to continuing work with all of my colleagues to see that

R&D receives the top priority it deserves. The current partnership between the government, the academic world, and the private sector is affected, and it deserves to be strengthened.

I congratulate my colleague on this important amendment, I urge my colleagues on both sides of the aisle to support it. Our economic future deserves no less.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

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

R&D CREDIT COALITION,
Washington, DC, October 18, 1999.

Hon. WILLIAM JEFFERSON CLINTON,
The President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT: While legislators continue the national debate on tax relief, one of the few issues upon which legislators across the political spectrum agree is the importance of a long-term seamless extension of the research and experimentation tax credit (the ''R&D credit''). The Senate version of the tax bill, and the Democratic alternatives in the House and the Senate all would have made the R&D tax credit permanent, while the House bill and the House/Senate Conference Report provided for a seamless five year extension of the R&D credit. In testimony before the Joint Economic Committee in June, Federal Reserve Chairman Alan Greenspan stated that if Congress were going to have a research tax credit, it shouldn't be intermittent because companies ''can't operate in an efficient manner with government policies incapable of being understood or projected.''

the R&D Credit Coalition, representing 87 professional and trade associations and more than 1,000 U.S. companies, applauds this unanimity of purpose and urges you to approve legislation seamlessly extending the R&D credit and increasing the alternative incremental research credit rates by a modest one percentage point, before the end of the first session of the 106th Congress. Expiration of the R&D tax credit on June 30th has caused uncertainty for domestic businesses for purposes of short and long-term planning as well as preparation of financial statements and other reports to shareholders. For these reasons, we believe the seamless extension of the R&D tax credit is critical.

The R&D credit has benefited from broad, bipartisan and bicameral support (including nine legislative extensions) since its inception in 1981. The credit provides U.S. companies with a proven incentive to increase their investment in U.S.-based research and development creating thousands of high wage, high skilled jobs for U.S. workers. A January 1998 study of the economic benefits of the R&D credit by the independent accounting firm of Coopers and Lybrand, LLP (now PricewaterhouseCoopers), shows the credit's significant positive stimulus to U.S. investment, innovation, wage growth, consumption, and exports, all contributing to a stronger domestic economy and a higher standard of living for all Americans. The failure to enact a seamless extension of the R&D credit prior to Congressional adjournment will continue to disrupt R&D planning, and the resulting uncertainty in the business community can only reduce the economic benefits all U.S. businesses and workers receive as a result of the credit.

We thank you for your support of the R&D tax credit, and respectfully request you to make every possible effort to permanently extend the R&D tax credit, and increase the alternative incremental research credit rates, as soon as possible.

Sincerely,
(Signed by 146 Massachusetts companies.)

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I say to the distinguished manager of this legislation, the Senator from Delaware, what we, the minority, would like to do. Everybody over here thinks the amendment of the Senator from Utah is well taken for a lot of different reasons. This legislation was developed in 1981 to spur the economy. It certainly has done that. It has expanded for 5 years. Since then, Congress has extended the tax credit every year or so, leaving terrible uncertainty in the community. This is important. It is good legislation. It is too bad it is not made permanent.

But I do say we will be willing to take this amendment and move on to the amendment of the Senator from New York. If a vote is required on that, we could vote around 2 o'clock. It is my understanding, though, the majority wants a vote on this amendment.

The uncertainty of whether or not this tax will be extended disrupts the marketplace and decreases the amount of revenue spent on research and development. Some companies with long-term research budgets have been forced to delay studies. The research and development credit benefits the entire community, the entire economy. Gains in productivity are not limited to sectors where investments in R&D take place. The gains which spill over are to all sectors of the economy—to agriculture, to mining, basic manufacturing, and high-tech services. Technological innovations improve productivity in industries that make innovations and in industries that make use of these innovations.

This credit would pay for itself and pay for itself very quickly. A permanent research and development credit would be an excellent investment for the Government to make because it would raise taxable incomes enough to more than pay for itself. In the long run, the $1.75 of additional revenue on a present value basis would be generated for each $1 the Government spends on the credit, creating a win-win situation for both taxpayers and the Government.

Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

Mr. REID. 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. REID. Mr. President, we would be willing to yield back our time on this amendment. As I understand it, the Senator from Delaware and the Senator from Utah would. Following that, I ask unanimous consent the vote on this amendment offered by the distinguished Senator from Utah occur at 1:45. During the next 15 minutes, the Senator from New York and the Senator from Delaware, who are offering the next amendment, I ask that they speak for the next 15 minutes, and after the vote they would be able to continue the discussion of their amendment.

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

The Senator from New York.

Mr. SCHUMER. Mr. President, I assume I have 20 minutes. What I would like to do is yield 10 of those minutes to the Senator from Delaware, my copartner in this, and we will each divide up our 10 minutes as other people come to speak.

Mr. REID. If I could say to the distinguished Senator, I will control the time. You have 20 minutes and you want 10; the Senator from Delaware wants 10?

Mr. SCHUMER. And then we will yield to some others who wish to speak.

Mr. REID. I yield 10 minutes upon the reporting of the amendment to the Senator from New York.

AMENDMENT NO. 3822

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, to make higher education more affordable, to provide incentives for advanced teacher certification, and for other purposes)

Mr. SCHUMER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER], for himself, Mr. BIDEN, Mr. BAYH, Ms. LANDRIEU, Mr. DURBIN, Mr. BINGAMAN, and Mr. KOHL, proposes an amendment numbered 3822.

Mr. SCHUMER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. SCHUMER. Mr. President, I will then take 5 minutes. I would like to take 5 minutes of my time and save the rest for yielding to others.

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

Mr. SCHUMER. Mr. President, this amendment, the Schumer-Biden amendment, cosponsored by Senators BAYH and LANDRIEU, boils down to a simple question.

The simple question is this: Would you rather give tax relief to those

whose incomes is above $8 million as they pass down their estates or would you like to give tax relief to people who make $40,000, $50,000, $60,000, $70,000 a year and are struggling to send their children to college? That is the amendment. It is plain and simple. It will determine which side people are on.

This estate tax debate is not in a vacuum. There are very simple choices, and this choice is a simple one.

Tuition costs, as this chart shows, have gone up more than any other cost—more than health care and certainly more than double the Consumer Price Index. Average families who are very poor get help, as they should, to send their kids to college. Families who are wealthy do not need it. But the middle class struggles. They know that a college education these days is a necessity, but they also know that it is harder and harder to afford.

The Schumer-Biden amendment is simple. It says if a family is struggling to send their child to college, the Federal Government ought not take its cut on top of that struggle. The amendment is simple. It says it is more important for America to educate its young people in the best institution available than it is to give tax relief to people who are multimillionaires as they pass on their estates.

The Schumer-Biden amendment is simple. It says every time a young man or a young woman does not go to college because they cannot afford it or goes to a college that is not up to their intellectual capabilities simply because they do not have the money to afford tuition, not only does that child lose, not only does that family lose, but America loses as well.

This is a crucial amendment. It is about middle-class tax relief. It is about targeted tax cuts for the middle class in what is perhaps their greatest struggle: affording tuition.

I make a good salary as a Senator. My wife works as well. We have two beautiful daughters, the rocks of our life, age 15 and 11. We are up late at night trying to figure out how we are going to afford our daughters' college education. Imagine those millions of middle-class Americans who are in a worse predicament. If you make, say, $60,000 because husband and wife work, and you have $20,000 or $25,000 in tuition bills, you are, in effect, poor because after you pay your taxes and your mortgage and all the other expenses, you just cannot afford that college tuition.

This amendment is simple. It says which side you are on because we do not have unlimited money. Are you on the side of those multimillionaires who make over $8 million a year as they pass their estates down, or are you on the side of middle-class Americans who are doing what we tell them to do, struggling to send their children to college?

From one end of my State to the other, the public is asking us to do something to help them. We know that tax relief should be targeted to the big financial nuts that middle-class people face because they are the ones who struggle the most. The Schumer-Biden amendment does just that. I urge my colleagues on both sides of the aisle to support it, and I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, as I understand it, the Senator from New York has yielded me 10 minutes. I will not use the 10 minutes because there will be others who wish to speak. I yield myself 5 minutes.

Mr. President, the headlines in today's papers say that we are here today discussing estate tax relief, an issue that affects a little less than 2 percent of Americans.

The issue before us is much bigger than that. We are debating the fundamental principles that should guide us in the new era of budget surpluses.

We cannot, we must not, lose sight of that larger picture. If we focus on the narrow picture of a tax cut here, a spending program there, we run the risk of wasting all the hard work and sacrifice that has brought us to the best economic and budget era in our history.

The real task before us today is to set the priorities for this era. This debate over the estate tax is just one part of that debate, but it is an important part.

Let's be clear about this—the amendment I am offering right now, with my friends from New York and Indiana and Louisiana, would repeal the estate tax for all families with estates up to $4 million, and for all family farms and businesses up to $8 million. And, it would leave room for a tuition tax credit to help middle class Americans pay for the rising cost of a college education.

Our proposal, the Democratic alternative proposal that Senator MOYNIHAN introduced earlier today, would eliminate those taxes sooner than the Republican plan, and would remove virtually all of the cases from the estate tax roles that have been employed as examples by the majority in this debate.

The majority would rather send their plan to the certain fate of a Presidential veto than cut the taxes of the family farmers and family businesses they claim to care about.

They would rather have an issue than a tax cut. Their proposal would cut the top tax rates for the richest of the rich first, and delay for 10 years the tax relief for family farms and businesses.

By the time any tax relief gets to those farmers and small businessmen, the Republican plan will cost at least $50 billion a year—half a trillion over 10 years—effectively squeezing out any hope for deficit reduction, strengthening Social Security, other tax cuts, or any other priorities we will face.

The plan I am offering with my colleagues today offers relief for family farms and businesses up front—and leaves room for other priorities.

The priority I want to stress is the need to help with the spiraling cost of college tuition.

Mr. President, I am glad to join the Senator from New York in offering this amendment to make higher education more affordable for America's families.

As a college degree becomes increasingly vital in today's global economy, the costs associated with obtaining this degree continue to skyrocket. At the same time, the annual income of the average American family is not keeping pace with these soaring costs. Since 1980, college costs have been rising at an average of 2 to 3 times the Consumer Price Index.

Now, in the most prosperous time in our history, it is simply unacceptable that the key to our children's future success has become a crippling burden for middle-class families.

According to the U.S. Department of Education National Center for Education Statistics, the average annual costs associated with attending a public 4-year college during the 1998–1999 school year, including tuition, fees, room, and board were $8,018. For a private 4-year school these costs rose to an astonishing $19,970.

And these are only the average costs, Mr. President. The price tag for just one year at the nation's most prestigious universities is fast approaching the $35,000 range.

In 1996, and again in 1997, I introduced the ''GET AHEAD'' Act, Growing the Economy for Tomorrow: Assuring Higher Education is Affordable and Dependable. My main goal in introducing this legislation was to help the average American family afford to send their children to college.

Although this legislation never came before the full Senate for a vote, I was extremely pleased that a number of the provisions of the GET AHEAD Act—including the student loan interest deduction and the establishment of education savings accounts—were included as part of the 1997 tax bill.

Additionally, two other provisions of that bill—the Hope Scholarship and the Lifetime Learning Credit—were based upon the core proposal of my GET AHEAD Act—a $10,000 tuition deduction.

I have been advocating tuition deduction since I first announced my candidacy for the Senate 28 years ago. Earlier this year, I was pleased that the President made a proposal in his State of the Union Address which would finally fully enact this proposal.

The amendment Senators SCHUMER, BAYH, LANDRIEU, and I are offering

today will provide America's middle class families with a tax deduction of up to $12,000 for the costs of college tuition and fees.

Middle-class families who struggle to send their kids to college should get some tax relief. We should not be giving tax cuts to those who need them least.

The proposal Senator SCHUMER and I are offering is a tax cut that makes sense. It is a tax cut that benefits the middle class, and it is a tax cut that is an investment in America's future.

Mr. President, the dream of every American is to provide for their child a better life than they themselves had. A key component in attaining that dream is ensuring that their children have the education necessary to successfully compete in the expanding global economy.

It is my hope that the proposal we are offering today will help many American families move a step closer in achieving this dream and be able to better afford to send their children to college.

I am proud to join Senator SCHUMER. He and I, together and separately, have been pushing for this relief for middle-class taxpayers to send their kids to college for a long time. I apologize to my colleague, BILL ROTH, for whom I have great respect. He has heard me on this hobby horse about tuition tax credit longer than he cares. I am not suggesting he does not share the same concern, but I apologize. He has heard me make this speech since 1973 when I was a freshman Senator.

As one of the folks in Delaware said to me: BIDEN, when are you going to get off that hobby horse? I am not going to get off the hobby horse because, as the Senator from New York indicated, as a matter of public policy, we should be making it easier, not harder, for children to go to college. We should not make these false distinctions between you are able, maybe, to get to a community college or to a junior college or maybe your State college, but you are not going to be able to get to a private institution.

If a child has the intellectual capacity, interest, and drive and they are able to go to Harvard or the University of Chicago or one of the great institutions in America where we all know you get a little leg up—I had one son graduate from Syracuse Law School and did just as well as the son who graduated from Yale Law School, but the marks of the kid who went to Yale Law School were no different than the one who went to Syracuse Law School. He got his ticket punched, a ticket to ride. We all know it makes a difference to what school you have access.

We have essentially priced middle-class kids out of the finer institutions. They may not learn any more coming out of those institutions, but they get a heck of a lot more opportunities, which I can say as a graduate of my State university, of which I am proud.

Since 1980, college costs have been rising on average two to three times the Consumer Price Index. Now in the most prosperous time in our history, people still have trouble. Let me give my colleagues a little idea.

According to the U.S. Department of Education, National Center for Education Statistics, the average annual costs with attending a public 4-year college during the 1998–1999 school year, including tuition, fees, room, and board were $8,018. For a private university, that average cost was $19,000. If you decide to send your child or your child decides they wish to go to a private university—I had one go to Georgetown, one go to Penn, and one go to Tulane. That is a total of over $100,000 a year in tuition, which is the reason I have the dubious distinction of being rated as one of the poorest men in the U.S. Congress. I am not poor. I live in a beautiful home in a beautiful neighborhood. I do not think I am poor, but I have $125,000 in debts for college tuition.

The good news is, as the Senator said, I was able to borrow it because I had a nice enough house to borrow against on a second mortgage. What happens to the average American who has a good income, they have a decent income—the wife is making $30,000 or $40,000, and the husband is making $30,000 or $40,000. That is 70,000, 80,000, 90,000 bucks a year. After taxes, what do they have? Maybe somewhere between $40,000 and $50,000. After they write that first semester tuition check for 15 grand, like I am about to do for Tulane University, they are in pretty deep trouble. Every middle-class American knows that. What I am a little concerned about is we are paying very little attention to this. This is about priorities.

I had a different bill than my friend from New York. Mine was $10,000 up to $120,000. His is $12,000. His has some better features than mine, but we joined forces to make the case. My dad always said to me: Champ, I tell you what, if everything is equally important to you, nothing is important to you, unless you have priorities.

This is about priorities. If the Senator from New York and I had our way and we could make this country as great as it is now without any taxes, we, like everybody else here, would vote against any tax for anything. I am all for no taxes, but what are our choices? Our choices are we cannot cut all taxes. So the question comes: What are we going to do in cutting taxes? Are we going to spend $134 billion over the next 10 years to deal with the ''death tax'' and $750 billion over the next 10 after that, or are we going to spend $40 billion over 10 years, as the Senator from New York——

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BIDEN. I yield myself 30 more seconds. Are we going to spend $40 billion to provide for the opportunity for this to truly be an egalitarian system, a meritocracy?

When we graduated from school in the early 1960s and late 1960s, and when our parents did in the 1930s, you needed a high school education to make it, and a college education was nice. Now you need a college education just to make it.

So I think people should be able to deduct at least this $12,000 and get a tax credit. This is a matter of priorities. The priorities should be to take care of the middle class first.

I reserve the remainder of the time.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I yield 2 minutes to one of the cosponsors of the amendment and the author of the provision on teacher certification, the Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I am very pleased to join my colleagues, the Senator from Delaware and the Senator from New York, in cosponsoring this amendment. The part I particularly want to speak about for the 2 minutes that I have is the teacher tax credit.

We have spent much time talking this year about the ways we could improve education in this Nation. We have talked about the important components of improving education, which is a State and local partnership with the Federal Government. But we all agree, even across party lines, that one of the key components of improving education in the Nation is to provide quality teacher training, incentives for teachers to be the very best they can be.

Many studies have shown that the single most important factor in a child learning, in terms of at school in the classroom—families have a great input into that, obviously, but the single most important factor in a child learning at school in the classroom is the quality of the teacher.

This amendment will provide a tax credit for teachers who get a national certification, as we work with our Governors and with our mayors and with our local school boards to help bring excellence in education across this Nation.

So I am pleased to have authored the part of this amendment which would provide this tax credit because if we are going to give tax relief to America, and if we are going to give back a share of the surplus in this way, let's give a tax credit that will help not only teachers but education and our children.

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

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I suggest that the Senator from New York control the time from here on out and distribute it among those who wish to speak.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I thank the Senator from Delaware.

Mr. President, I now yield 2 minutes to the distinguished Senator from Indiana, a cosponsor of this amendment, who has worked long and hard on seeing that college tuition be made deductible.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. I thank Senator SCHUMER.

Mr. President, I express my profound appreciation to the Senator from New York, Mr. SCHUMER, for his leadership on this critical issue. It is important to the families and the children of this country that we adopt this important amendment to make college tuition more affordable for all families across my State and the other States that constitute our great country.

A college education today is no longer a luxury, it is a necessity. Helping to make college tuition more affordable, by providing for the deduction of the first $10,000 of college tuition, will help ease the burdens on many middle-class families across Indiana and elsewhere in our country. It will open up the doors of economic opportunity to the middle class and help to make our Nation a more decent, just, and honorable place as well.

As we move to adopt this important amendment today, we will not only do what is right for our economy but we will also do what is right for our families and for our children. This is an example of cutting taxes in ways that help middle-class families deal with the challenges they face in their daily lives. It is an important issue, one that surely we can accomplish within the context of also moving to ease the burdens of estate taxes upon businessmen, farmers, and others across our State.

I say to my colleague from New York, I again thank him for his leadership. This is a critically important issue. It is one whose time has come. I say to Senator SCHUMER, I cannot think of anything that would be more popular across the State of Indiana than acting today to help make the costs of college more affordable for middle-class families, for students and children across our State, by passing this important amendment. It has been my honor and privilege to work with the Senator on this important issue.

I thank the Chair.

VOTE ON AMENDMENT NO. 3823

The PRESIDING OFFICER. Under the previous order, the hour of 1:45 p.m. having arrived, the Senate will proceed to vote on the Hatch amendment.

Mr. ROTH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to Hatch amendment No. 3823. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

The PRESIDING OFFICER (Mr. VOINOVICH). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 181 Leg.]

YEAS—98

Abraham	Feingold	Lugar
Akaka	Feinstein	Mack
Allard	Fitzgerald	McCain
Ashcroft	Frist	McConnell
Baucus	Gorton	Mikulski
Bayh	Graham	Moynihan
Bennett	Gramm	Murkowski
Biden	Grams	Murray
Bingaman	Grassley	Nickles
Bond	Gregg	Reed
Boxer	Hagel	Reid
Breaux	Harkin	Robb
Brownback	Hatch	Roberts
Bryan	Helms	Rockefeller
Bunning	Hollings	Roth
Burns	Hutchinson	Santorum
Byrd	Hutchison	Sarbanes
Campbell	Inhofe	Schumer
Chafee, L.	Inouye	Sessions
Cleland	Jeffords	Shelby
Cochran	Johnson	Smith (NH)
Collins	Kennedy	Smith (OR)
Conrad	Kerrey	Snowe
Coverdell	Kerry	Specter
Craig	Kohl	Stevens
Crapo	Kyl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Domenici	Leahy	Torricelli
Dorgan	Levin	Warner
Durbin	Lieberman	Wellstone
Edwards	Lincoln	Wyden
Enzi	Lott	

NAYS—1

Voinovich

NOT VOTING—1

Dodd

The amendment (No. 3823) was agreed to.

AMENDMENT NO. 3822

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Mr. President, how much time do I have?

The PRESIDING OFFICER. Five minutes.

Mr. SCHUMER. I yield two minutes to the Senator from Illinois.

Mr. DURBIN. Mr. President, this amendment by Senator SCHUMER, and others, is a test as to whether this Senate is in touch with the reality of life for American families. The Schumer amendment will allow families across America, worried about paying their kids' college education expenses, a tax deduction of $12,000 a year. It will say to those paying off students loans that we will give you a tax credit of up to $1,500 a year on the interest on your student loan, and if you are a teacher who wants to go for extra training to be certified, we will give you a $5,000 tax credit so you can be the very best in the classroom. Families across America understand the Schumer amendment.

What they don't understand is the alternative on the Republican side, which says we don't need it, that our highest priority is helping the wealthiest people in America be absolved from paying any kind of estate tax.

When we start forming a line to come in the Senate for help, the Republicans put the wealthiest people in America first. The Schumer amendment puts American families first.

Watch for this vote.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, the amendment before us has a fundamental deficiency. It is built on the Democratic alternative to the House tax repeal bill. In other words, this amendment strikes the House death tax repeal and replaces it with the Democratic alternative which was just rejected by a rollcall vote a few minutes ago.

Let me reemphasize once again that the Democratic alternative fails to correct the fatal flaws of the family-owned business deduction. According to well-known members of the American Bar Association, those fatal flaws make it virtually impossible to qualify for the tax deduction.

What I am saying is that those of you who voted against the Democratic alternative should vote against this amendment because this amendment, once again, seeks to substitute the Democratic alternative.

The amendment also contains some interesting ideas on education. But they should be looked at in the context of our other education incentives. One proposal, for instance, is that we allow a tax deduction for higher education costs. If a taxpayer takes that deduction, then he or she will not be allowed to take the lifetime learning credit at the same time. Families are already confused and troubled by the complexity of these educational incentives. So adding a new one with a different tax would further confuse the situation.

Again, we are anxious to move on to a vote. I emphasize to those on my side that this amendment would substitute the Democratic alternative for the repeal of death taxes in substitution of the House repeal.

I urge everyone to vote against this amendment.

I yield my time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I will sum up. I believe I still have 3 minutes left.

The PRESIDING OFFICER. The Senator is correct.

Mr. SCHUMER. Thank you, Mr. President.

I beg to differ with my friend from Delaware.

This amendment is a simple one. He said the flaw in this amendment is that the estate tax relief doesn't go up high enough.

This amendment is an amendment of choice: Very simply, do you prefer to give the very few wealthy in our society even more tax relief or with those same dollars do you want to help middle-class families pay for the ever-increasing costs of tuition? It is that simple. Does someone making $40,000 or $50,000 a year, who is struggling to send their son and daughter to college, deserve relief first or does someone who has an estate over $8 million deserve relief first? It is that simple.

We are in an idea society. We are in a place where a college education is a key to the future. Yet millions and millions of American families cannot afford to send their children to college or they have to send their child to a college that is not up to that child's intellectual ability because the cost is so expensive. The Schumer-Biden amendment says that is the group that needs relief more than those whose estates are over $8 million.

The choice is stark and clear. Which side are you on? We don't have unlimited money. Do you support middle-class families sending their kids to college or do you support the wealthy in tax relief?

I yield the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Florida (Mr. MACK) is necessarily absent.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 46, nays 52, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—46

Akaka	Feingold	Lincoln
Baucus	Feinstein	Mikulski
Bayh	Graham	Moynihan
Biden	Harkin	Murray
Bingaman	Hollings	Reed
Boxer	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Sarbanes
Chafee, L.	Kerry	Schumer
Cleland	Kohl	Specter
Conrad	Landrieu	Torricelli
Daschle	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	
Edwards	Lieberman	

NAYS—52

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Cochran	Hutchinson	Snowe
Collins	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Jeffords	Thompson
Crapo	Kyl	Thurmond
DeWine	Lott	Voinovich
Domenici	Lugar	Warner
Enzi	McCain	
Fitzgerald	McConnell	

NOT VOTING—2

Dodd	Mack

The amendment (No. 322) was rejected.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. ABRAHAM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. Can the Chair inform the Senate how long that last vote took?

The PRESIDING OFFICER. The vote required 29 minutes.

Mr. REID. Mr. President, we need to do better than that. We have, as I see it, about 18 more votes today, and if each one requires 30 minutes, that is 9 hours right there. I hope we can shorten the time of the votes in the future.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 3827

(Purpose: To amend the Internal Revenue Code of 1986 to temporarily reduce the Federal fuels tax to zero)

Mr. ABRAHAM. Mr. President, I send an amendment to the desk on behalf of myself, Senators FITZGERALD, HUTCHISON, and GRAMS.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. ABRAHAM], for himself, Mr. FITZGERALD, Mrs. HUTCHISON, and Mr. GRAMS, proposes an amendment numbered 3827.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, this amendment, which I described briefly yesterday, embodies the principles of our legislation, S. 2808, which has been introduced by the Senators I mentioned and myself, to temporarily suspend the Federal gasoline tax for 150 days, while holding harmless the highway trust fund and protecting the Social Security trust fund.

America is facing a crisis, and we have to take action now. Yesterday I spoke before the Senate about how, during my travels over the Fourth of July recess, I was struck that people in my State had one thing on their minds, and that was the price of gasoline. It was the most important issue on virtually everybody's mind. It was the second most important issue, and it was the third most important issue.

As I talked with the citizens in my State, I asked them to join me in making sure this issue to suspend the Federal gasoline tax received more attention in the Congress. I am proud of how they have already responded.

Over the last 10 days, we have had a web site through which people could sign a petition online urging Congress to suspend the gas tax. Literally over 100,000 people have logged on to the site and thousands have already joined this petition drive.

On behalf of these thousands of Michigan citizens—and I know there are millions more across the country who are feeling the pinch at the pump—I am here today to fight for relief on behalf of our consumers, our minivan parents, our farmers, and others for a bill that would suspend the Federal gasoline tax for 150 days.

Yesterday I told this body how citizens throughout Michigan were demanding quick relief from these high gas prices. People from all walks of life have talked with me about this:

Farmers who, according to our Farm Bureau, are likely to see their net family farm income decrease by 35 percent;

A minivan mom with seven kids who now has to give up her minivan because it costs her $70 to fill up the tank;

Every day men and women who banged on gas cans during a parade in Traverse City, MI, demanding immediate relief from high gas prices;

A Southfield, MI, Amoco dealer who lowered prices by 18 cents a gallon for 2 hours in support of this proposal and found himself surrounded by a quarter mile of cars in every direction waiting to buy his cheaper gas.

This crisis is very real. If we do not take action now to provide some relief for the economy, we will face some very serious economic consequences soon because so many of the important sectors of our economy are being hurt by these high prices.

According to Lundberg Survey, a nationwide survey of gas prices, the city of Detroit suffers under the highest gas prices in the country. These prices are 40 cents a gallon higher than they were at the end of May. That is a 27-percent increase in only 2 months; 63 percent higher than in June of last year. These are unconscionably high gas prices.

Yesterday I discussed several factors that contributed to the rising costs of gasoline in the past months: OPEC's decision to lower production levels; lack of a sustainable and long-term energy policy to lower our dependency on

foreign oil; regulations which have required the development of reformulated fuels; and a variety of other things, such as pipeline breakdowns.

Solving those problems will take a lot of time. The solutions to these issues will not bring down the price overnight or in the short term. People across Michigan want to see gas prices lowered. They want them lowered sooner, not later, and that is what this amendment will do. It is the one thing we can do in the Congress to bring down the price of gasoline and to bring it down immediately. So it is my hope that we will support this amendment today.

Let me quickly cover some of its key ingredients, and then I know there are others who want to speak to this issue.

First, as I said, it will provide suspension of the Federal gas tax for 150 days. We estimate this will provide real relief for motorists and consumers, averaging over $150 of savings for a typical one-car or one-minivan family.

Let me make one thing very clear about what this legislation also will do. It will not threaten the highway trust fund. Yesterday we revised this language again to strengthen even further the elements that will hold the highway trust fund and the road-building money distributed to the States absolutely harmless. I urge my colleagues to examine the legislation to satisfy themselves that that will happen.

First, every penny of the gas tax revenue that would have come into the highway trust fund from the collection of gas taxes will be made up with deposits of non-Social Security surplus funds. This will allow us to ensure that the building projects, the road repair projects, in the States will continue unabated and unharmed by this suspension.

To make sure everyone understands that this is an ironclad guarantee that the States will not lose one penny of highway funds, we have strengthened the hold harmless provisions even more from that which I detailed yesterday by adding additional language which I will enter into the RECORD at the end of my comments.

In short, this accomplishes two things. It keeps the highway trust fund intact by supplementing any lost revenue with surplus dollars, and it simultaneously gives the average working men and women, the consumers of this country, who are paying too much for gasoline today, a 5-month break in paying the Federal gas tax. That will be 18 cents a gallon in every service station in America. It will make a difference for our consumers. It will make a difference for our farmers. It will make a difference for people in the tourism industry. It will be, I think, a timely action on our part.

Back in April of this year, gas prices were 40 to 50 cents a gallon less than they are now. At that time, when we last considered this legislation, we could not pass a proposal that would have lowered the gas taxes. But things have changed. We have seen that that was not a short-lived crisis. We have also seen that OPEC has not responded in a fashion to bring prices more into line with what the American public deserves. For those reasons, I hope our colleagues who voted differently the last go-around will reconsider their vote and join us on this vote today.

Let me close by saying that this legislation is a serious attempt to provide relief to the millions of Americans forced to dig deeper into the family budget for gas to take their kids to school or to get to work at any automobile plant in Michigan—in Flint or Sterling Heights. Michigan consumers are rightfully outraged by the high price of gasoline. They need relief and they need it now.

If any of my colleagues have any ideas how the highway trust fund hold harmless provisions can be improved and strengthened, I would be more than happy to entertain them and, if necessary, modify this amendment. But the time has come for us to take action and to take it now. In my judgment, this is the only way we can do something that will have an immediate impact on the lives of the working citizens of this country. I hope we will join together to adopt the amendment.

Mr. President, I yield the floor and reserve the remainder of our time. We have several other speakers who are prepared to address the issue.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. FITZGERALD. Mr. President, I join the efforts of my colleague from Michigan, Senator ABRAHAM. I am a cosponsor of this amendment which would temporarily roll back or suspend the 18.3-cent-per-gallon Federal gas tax.

When I was back home during the Fourth of July recess and was marching in all those parades, I had the exact same experience that Senator ABRAHAM had. I was hearing from my constituents about the high price of gasoline.

After returning to the Nation's Capitol, where we talk about so many other issues, from foreign policy to domestic concerns, we have heard very little discussion about what Washington can do to bring down the price of gasoline at the pumps. That is the issue on the minds of most American citizens.

In the Midwest, in particular—in my State of Illinois, Senator ABRAHAM's State of Michigan, other Midwestern States such as Ohio—the price has been much higher than the national average. Fortunately, in the last few weeks, in Illinois, it has begun to come down. But part of the reason it has begun to come down in the State of Illinois is because the Illinois Legislature took action.

At the end of last month, the Illinois Legislature went into a special session and rolled back their approximately 10-cent-per-gallon, or 5-percent, sales tax on gasoline. They suspended it until the end of the year. That immediately brought a price reduction of 10 cents per gallon at the pump.

But prices are still too high in Illinois. The average price in the city of Chicago is around $1.80 per gallon. That is, thankfully, down from the $2.13 a gallon that it was a few weeks back.

But if Senators take the time to go back and look at their legislative correspondence to see what kind of mail they are receiving on this issue from their constituents from around their States, and talk to their constituents, they will see the amount and the type of suffering that people are enduring.

When we introduced this amendment earlier as a freestanding bill, I read several letters from constituents in Illinois that explained the problems they are confronting now with the high cost of gasoline.

We have letters from small business owners. I remember one business owner in particular from McHenry County, IL, who had 10 to 20 employees, depending on the time of the year. His small business was very dependent on transportation, and he was going broke with this high cost of gasoline.

I had a community college student from Shelbyville, down in southern Illinois, write to me and say he was regretting the fact he had turned down offers from several of our State's 4-year universities because he thought that tuition was too high. Instead, he had decided to go to a community college. He thought he would save money and do 2 years at the community college.

But now, because he had a long commute to his community college, it was making that community college unaffordable; he wished he had instead decided to go to one of the 4-year universities. He thinks it might have been cheaper for him.

I read a letter from a family outside the Peoria area where the wife commuted 100 miles a day, round trip, to work, and the husband 55 miles. They estimated they had to drive the kids another 15 miles a day to their soccer games, their baseball games, their band events, and other school extracurricular activities. They were suffering greatly as a result of the high cost of gasoline.

We have talked much in this Senate this past year about the high price of prescription drugs. We are trying to do something about that. I had a senior citizen write me and say: Because of the high cost of gasoline, I now can't afford to drive to the pharmacy to buy the prescription drugs I already can't afford.

There is a lot of real suffering going on out there. We can sit around and

wait and do nothing. I do believe eventually those prices will come down. They may not go back down to where they were a year and a half or 2 years ago, but they will come down because production is getting ramped up domestically.

I visited an oil well in southern Illinois last week—in fact, several oil wells. All of a sudden some of these small stripper wells in southern Illinois, many of which were dormant 2 years ago when the price for a barrel of oil was between $8 and $10 a barrel; and they could not make money so many of those wells shut down—in fact, there are 32,000 oil wells in Illinois and 9,000 of them were shut down 2 years ago. And now, of those 9,000 wells, 7,000 have come back into production.

That suggests to me, with that kind of activity, eventually that supply is going to be felt across the country, and it will lower prices at the pump. But it is going to take some time. In fact, it is going to take months.

We do need to have a long-term policy to ensure an adequate national supply of oil and of gasoline. In the meantime, we need to provide some temporary relief. Senator ABRAHAM and I and others, Senator HUTCHISON of Texas, have crafted this bill to provide temporary relief for the people who need it most: the small business owners who are going broke, the people who have long commutes to work, the senior citizens who cannot afford to drive to the pharmacy, the community college students who cannot afford the commute to their community college.

There may be some arguments against this bill. I know there are some on the other side of the aisle who get up and vote against any tax relief. On the current measure, on the death tax, many have argued that we should not be giving that relief to higher income individuals, people with large estates. At least there is a colorable claim; that argument has some merit to it. I think it is rebuttable. But that same argument cannot be made with respect to the Federal gas tax. Of all the taxes in our enormous Tax Code, this tax is one of the most regressive and one of the most onerous for low- and middle-income people. They can least afford the high cost of gasoline.

There are not a lot of other things the Federal Government can do to bring down the price of gasoline at the pump. In fact, the only direct instrument we have to affect prices at the pump is to lower or reduce that Federal gas tax. There are no other instruments. We don't have price controls in this country. We had them for a while in the 1970s. That created shortages and rationing, and Ronald Reagan ended the oil crisis by eliminating those price controls. We have a free market system.

What happened is, the price of a barrel of oil got down to $8 to $10 a barrel. Production was cut back. Ultimately, we are now suffering from lack of an oil supply. It will come back in this country, but we need to provide relief for people. The argument cannot be made that this most benefits high-income individuals.

I strongly emphasize that Senator ABRAHAM has written this bill so that there is not one cent of revenue lost to the highway trust fund. That is a very important point. We should not hear objections that this is going to hurt road funding in this country. It will have no effect on it. The amount will be charged to the general fund.

I thank my colleague from Michigan, Mr. ABRAHAM, and I yield the floor so other of my colleagues may address this matter.

Mr. ABRAHAM. Mr. President, the cosponsors of this amendment and I are not alone in our support for the suspension of the gas tax. A number of taxpayer groups also believe suspending the tax is good policy, and have endorsed such a suspension. Among these groups are the National Federation of Independent Business, the National Taxpayers Union, Americans for Tax Reform, and Citizens Against Government Waste.

Let me read from the NFIB letter that states:

> For a small company that consumes 50,000 gallons of diesel fuel in a month, the increase in prices in the past year will cost that company an additional $40,000 per month.

By suspending the gas tax for 150 days, we could save that small business over $60,000! I ask unanimous consent to print in the RECORD the letters of support from each of these organizations to highlight the board based support for this suspension.

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

AMERICANS FOR TAX REFORM,
Washington, DC, July 13, 2000.

Hon. SPENCER ABRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR ABRAHAM: Americans for Tax Reform would like to thank you for your efforts to suspend the Federal fuels tax. At a time of rising gas prices and increasing concern at all levels of government, your approach represents a reasoned common sense solution.

Unlike the Clinton-Gore investigations into anti-trust violations by gas companies and other big government efforts, your approach guarantees that all Americans will see lower prices at the gas pumps.

We can certainly investigate all these other concerns, but working families across the country need lower gas prices today. Suspending federal gas taxes is the quickest and surest way to bring down rising gasoline prices. At Americans for Tax Reform we commend your common sense approach to this very serious problem and look forward to working with you to reduce Al Gore's tax burden on working Americans.

Onward,

GROVER G. NORQUIST.

NFIB,
Washington, DC, July 12, 2000.

Hon. SPENCER ABRAHAM,
U.S. Senate, Washington, DC.

DEAR SENATOR ABRAHAM: On behalf of the 600,000 members of the National Federation of Independent Business (NFIB), I want to express our support for the Abraham gas tax suspension amendment to H.R. 8, the Death Tax Elimination Act. The Abraham proposal would temporarily repeal the 18.3-cent federal fuels tax, providing small business owners quick, short-term relief from soaring fuel prices.

Gas prices have been soaring. According to the U.S. Department of Energy, gas prices, which have increased by as much as 50 percent in the past year, are likely to continue to remain high in many areas of the country.

These high fuel prices are hitting many Americans, especially small businesses, extremely hard. For a small company that consumes 50,000 gallons of diesel fuel in a month, the increase in prices in the past year will cost that company an additional $40,000 per month. If fuel prices remain high, these costs could eventually be passed on to consumers in the form of higher prices for many goods and services. A 18.3-cent reduction in the cost of fuel would save the company thousands per month.

Your proposal goes a long way towards providing America's small business owners valuable relief from rising fuel costs. We applaud your proactive efforts to reduce this tax burden on small business while at the same time providing a hold harmless provision for the Highway Trust Fund. This will guarantee that full funding will continue to flow to states and local communities for planned infrastructure projects.

Sincerely,

DAN DANNER,
Sr. Vice President.

COUNCIL FOR CITIZENS
AGAINST GOVERNMENT WASTE,
Washington, DC, July 12, 2000.

UNITED STATES SENATE,
Washington, DC.

DEAR SENATOR: On behalf of the 600,000 members of the Council for Citizens Against Government (CCAGW), I urge you to support Abraham-Fitzgerald federal gas tax suspension amendment to H.R. 8, the Death Tax Elimination Act. The amendment will suspend the gas tax for 150 days.

Americans today are struggling with the dramatically high price of fuel. These prices are a result of several factors, many of which have been created by Washington. The federal government imposes 18.4 cents in tax for every gallon of gas and 24.4 cents for every gallon of diesel fuel. In addition to acting as a drag on our entire economy and raising the cost of everything that is shipped by truck, it is especially burdensome on the poor, who pay a larger percentage of their income for fuel.

Several other shortsighted policies have contributed to the current high price of fuel throughout the country. Burdensome regulations on the production and distribution of oil products have driven gas, diesel, home heating oil, and other prices to artificially high levels. These policies have made America more dependent on foreign oil and more vulnerable to price-fixing by the international oil cartel. Imports of foreign petroleum climbed to a record high of $7.87 billion in January, more than double the level of January, 1999.

One solution to this crisis is to increase domestic production. Since 1992, 36 refineries

have closed and there have been no new refineries built since 1976. Despite a 14 percent increase in consumption, U.S. oil production is down 17 percent since 1992. The oil is there, but the policies of our own government have forced us to rely on foreign nations.

Regarding U.S. planning to deal with the high cost of oil, Energy Secretary Bill Richardson stated, ''It is obvious that the federal government was not prepared. We were caught napping. We got complacent.'' Vice President Gore has advocated even higher taxes on fossil fuels.

Please provide temporary relief from the administration's misguided policies. We urge you to take immediate action to reduce this burden on American families and businesses by supporting the Abraham-Fitzgerald gas tax suspension amendment. This vote will be among those considered for CCAGW's 2000 Congressional Ratings.

Sincerely,

THOMAS SCHATZ,
President.

NATIONAL TAXPAYERS UNION,
Alexandria, VA, July 13, 2000.

Cesar Condra Senator Abraham.

DEAR SENATOR: On behalf of the 300,000-member National Taxpayers Union, America's largest and oldest taxpayer organization, we urge you to support Senator Abraham's amendment to H.R. 8, the Death Tax Elimination Act, that would repeal the 18.4 cent federal fuels tax for 150 days. This vote will be heavily weighted in our annual Rating of Congress.

As you know, the recent rise in fuel prices has concerned many, from citizens who commute every day to truck drivers and small business people whose livelihoods depend upon stable transportation costs. Although some say that OPEC policies are solely to blame for this problem, an equally if not more responsible culprit has actually been tax hikes. Pre-tax fuel prices often fluctuate up or down during a given period, but historically, post-tax prices have been moving steadily upward for at least two decades.

Consider:

From 1990 through 1999, the pre-tax pump price of gasoline barely changed—from 88 cents per gallon in 1990 to 86 cents as of last November. Over that same period, state and federal gasoline taxes rose by more than half, from 27 cents per gallon to 43 cents.

The 1993 Omnibus Budget Reconciliation Act created a new 4.3-cent-per-gallon fuel surtax for ''deficit reduction.'' This tax has continued, despite the fact that the federal budget is now in surplus.

The Congressional Budget Office estimates that the FY 2000 ''on-budget'' surplus (not counting the so-called ''Social Security surplus'') will total $23 billion. With $34.3 billion in fuel taxes allocated to the Highway Trust Fund this year, suspending the 18.4-cent tax won't imperil any current programs and won't consume any funds set aside for Social Security reform.

A recent study by the Tax Foundation showed that excise taxes are five times more burdensome for lower-income households than they are for wealthy households. Cutting fuel taxes will allow you to deliver on your longstanding promise to enact policies that particularly help beleaguered low- and middle-income Americans.

While we believe the repeal should be permanent, the Abraham amendment is a badly needed step in the right direction. In doing so, you can also demonstrate to the entire world that our leaders need not rely on the whims of a distant pricing cartel to protect their citizens from economic harm.

Sincerely

ERIC V. SCHLECHT,
Director, Congressional Relations.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Who yields time?

Mr. CRAIG. May I inquire how much time remains on this side of the issue?

The PRESIDING OFFICER. Four minutes 20 seconds.

Mr. CRAIG. This side will retain its time.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 7 minutes to the distinguished Senator from West Virginia, Mr. BYRD.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I thank the distinguished Senator from Montana.

Mr. President, I rise in strong opposition to the amendment offered by my colleague, Senator ABRAHAM. This amendment would repeal the entire 18.4-cent Federal excise tax on gasoline for a five-month period. In my view, this amendment represents bad transportation policy, bad energy policy, and bad tax policy. The amendment would play political games with the American driving public by eliminating the Federal gasoline tax and reinstating it five months later, after the people have gone to the polls in November. The amendment would violate the trust that we restored to the Highway Trust Fund when we enacted the Transportation Equity Act for the 21st Century. It would, over the long run, put at risk billions of dollars of necessary investment in our Nation's highway infrastructure, while providing absolutely no guarantee that the consumer will see even one penny of this tax reduction at the gas pump.

This will be the third time in four months that the Senate will vote on repealing some, or all, of the Federal excise tax on gasoline. Back on April 6th, the Senate adopted my amendment expressing the Sense of the Senate that the Federal excise tax on gasoline should not be repealed on either a permanent or temporary basis. That amendment was adopted by a broad bipartisan vote of 65–35. That amendment stated explicitly that ''. . . any effort to reduce the federal gasoline tax or de-link the relationship between highway user fees and highway spending poses a great danger to the integrity of the Highway Trust Fund and the ability of the states to invest adequately in our transportation infrastructure.'' Just five days later, the Senate voted against the Motion to Invoke Cloture on S. 2285, again on a bipartisan basis, by a vote of 43–56. That bill would have repealed 4.3 cents of the 18.4-cent gasoline excise tax.

The Senate did the right thing back in April, when it rejected these dangerous proposals to take 4.3 cents of gas tax revenue out of the Highway Trust Fund. This amendment by Senator ABRAHAM, however, is far more dangerous. Indeed, it is four times more dangerous than those proposals because this amendment would repeal the entire 18.4-cent gasoline tax for a five-month period and would deprive the Highway Trust Fund of more than $10 billion.

I have heard it said that this amendment would in no way endanger the level of spending for our nation's highways. Indeed, some very odd language is included in this amendment. It is basically the same language that was included in S. 2285, which the Senate rejected back in April. That language sought to mandate that spending from the Highway Trust Fund be maintained at the level authorized in TEA–21, even though the revenue is not there to support those funding levels. This is a very neat sleight of hand indeed. But, does anyone truly believe that this is a workable approach over the long term? The chairman of the Surface Transportation Subcommittee, Senator VOINOVICH, clearly does not, I don't believe. My colleague, Senator WARNER, who chaired the Surface Transportation Subcommittee during the debate on TEA–21, certainly does not. Together, Senator WARNER, Senator GRAMM, Senator BAUCUS, and I fought tirelessly for many months to restore the ''trust'' to the Highway Trust Fund. So, I implore all Members on both sides of the aisle to reject this plan that will compromise that trust.

Mr. President, I believe this amendment is not just reckless transportation policy, it is reckless energy policy as well. These short-term, feel-good tax cuts cannot substitute for a comprehensive energy policy that decreases our dependence on foreign oil. The American people are not naive. They will see right through any proposal to eliminate a tax temporarily until after Election Day, the effect of which they may not even see, only to be followed by reimposition of the 18.4-cent gas tax a few months hence.

Even the ''triple A''— the association that represents no one but the people who pay the gas tax at the pump—opposes this amendment.

I ask unanimous consent that a letter from Susan Pikrallidas, vice president for public affairs of the American Automobile Association, in opposition to the Abraham amendment be printed in the RECORD.

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

AAA,
Washington, DC, July 12, 2000.

Hon. ROBERT C. BYRD,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR BYRD: When the Senate considers H.R. 8, the Death Tax Elimination Act, an amendment will be offered by Senator Abraham to repeal for 150 days the 18.4

cents federal gasoline tax. AAA encourages you to *oppose* this amendment.

While attractive at first glance, this course of action will do little to address the root cause of our gasoline price problem today, which is a complex combination of many factors. AAA recognizes that many motorists are suffering because of high gas prices. However, any benefits to motorists from reducing the gas tax are offset by the substantial risk that general fund revenues will not cover all losses to the Highway Trust Fund.

Reducing the federal gasoline tax will do nothing to increase fuel supply.That is where Congress and the Administration should focus their attention. To focus legislative efforts on the federal gas tax, rather than the real problem—supply—is a shortsighted, expedient response to the problem.

Despite assurances that revenues lost to the Highway Trust Fund will be replaced with revenues from the budget surplus, suspending the federal gasoline tax fundamentally alters the basic principal governing surface transportation funding. The federal excise tax is a user fee. Motorists are paying for road and bridge repairs and safety programs through the fees paid at the pump.

The Senate has already gone on record in opposition to repealing the federal gas tax. AAA encourages the Senate to do so again by voting no on the Abraham amendment.

Thank you for your consideration of AAA's views.

SUSAN G. PIKRALLIDAS,
Vice President, Public Affairs.

Mr. BYRD. In closing, the Senate has already rejected this policy twice this year. I ask Members to join in driving a stake right through the heart of this ill-conceived, politically motivated vampire of an amendment that would suck the lifeblood out of the highway trust fund.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I thank my good friend, Senator BYRD, for getting to the heart of the matter and explaining how devastating this amendment would be.

I yield to my good friend from Ohio for 2 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. VOINOVICH. Mr. President, I also thank the Senator from West Virginia. He has done a good job of explaining why this amendment is not well taken and not good public policy. As Governor of the State of Ohio, I worked to increase our share of highway funding from 79 cents to 87 cents in ISTEA to 90.5 cents in TEA–21. As Chairman of the National Governors' Association, I helped negotiate TEA–21, which provides some substantial support for highway construction and maintenance in this country. It gave us a predictable, reliable source of revenue to get the job done. That's why this proposal really doesn't make sense: it jeopardizes that funding.

If this Senate rejected the proposal earlier this year to reduce the gas tax by 4.3 cents, certainly we should reject any proposal that would reduce it by 18.4 cents.

One point I would like to make is that the real problem we have in this country is that we do not, as Senator BYRD pointed out, have an energy policy. That is the problem. Reducing this gas tax by 18.4 cents really is not going to do anything to correct that problem in the long-term, and it would take the attention of the Senate away from the real issue here, which is, this country does not have an energy policy.

I want to point out one other thing. Under this amendment, we would reduce the gas tax and make it up by using the general revenue fund, the surplus. If I am not mistaken, some of my colleagues would like to use that surplus for proposed tax reductions and some would like to increase spending on various programs. It has been the tradition in this country that people who use the highways pay for them through the gas tax and not with the general fund of the United States of America. It seems to me that those of my colleagues who propose to use the on-budget surplus for health care or for other things, including tax relief, would be offended by that. I think this amendment is bad public policy and I hope it will be defeated overwhelmingly. I thank the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I yield 5 minutes to Senator LAUTENBERG. I urge him to be brief.

Mr. LAUTENBERG. I thank my friend from Montana. Five minutes, or fewer, will be OK. If we talk about it long enough right now, we won't have any time left to talk.

Mr. President, I hope the American public is looking at this because this is kind of ''inside baseball.'' This is what helps people get from place to place, get to work on time, get to the hospital on time, get to church on time. We are terribly short of funds altogether for highway repair and development. Everybody knows that. We have about a $30 billion highway bill. This 5-month hiatus will take $10 billion away. The worst part of it is that the benefits are not going to go to the public because all of us need to remember that the taxes are remitted by the oil companies—by the companies that, in many cases, are gouging the public this very day. So they can hold on to that and that will make the year-end profit statement look even better. Stock prices will be higher.

The public will not get what they thought they were getting. They are going to get stuck; that is what will happen. They will be stuck in traffic because we won't be able to continue the highway work. Once you stop it, it is very hard to get it started again. Is that what we are going to say to the public? People in this country who want to go someplace may see a nice yellow barrier saying ''work halted'' on the highway, or an interchange, or at access to factories, their jobs, or other places where the community gathers, including schools, clinics—you name it. Sorry, the work has stopped. We have run out of money. We are certainly not going to take it from the General Treasury, since we are all so fully committed to paying down the debt and keeping this country out of debt. If we are going to give targeted tax cuts, then we ought to talk about those specifically. But to suggest that we want to give the oil companies, the oil producers, an 18-cent-a-gallon tax cut, I think, is really unfair to the public at large. They ought to see through the fog and the smog being created by this.

It is not going to happen, Mr. and Mrs. America. You may feel that you are getting a bargain now, and the distinguished Senator from Michigan—who is my friend—talked about people who responded to a price cut at a gas station. But sometimes you put away money for a later day to pay off a mortgage, or to try to accumulate money for a college education for your child, or to assure there is enough there to pay doctor bills that may fall your way. It may feel good at this moment, but when that highway is all backed up, and smog envelopes the place, and the air quality turns sour, then people will be saying: Now what happens? We didn't get what we paid that money for.

I know this amendment is offered with all good intentions, but if the public is listening, hear what is being said. You get an 18 cent cut in the gas tax so you can give it to the gasoline company. That is hardly the way we want to see things done. America has to pull together and we have to stand against those on the outside of our borders who are drilling oil, and just enough to keep the prices up. When they dial 911, they want America there immediately. That is why we sent over 400,000 of our best to the Persian Gulf. That is why we did it. So we need help there. I hope they hear the alarm go off here. That will get prices down. I thank the Chair. I thank my friend from Montana for giving me this time.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Montana has 6 minutes 2 seconds. The Senator from Michigan has 4 minutes 20 seconds.

Mr. BAUCUS. I thank the Chair. Mr. President, for all the reasons indicated, I very strongly oppose this amendment. I point out that the opposition to this amendment is very strongly bipartisan. Senator VOINOVICH from Ohio spoke against the amendment and, in a few minutes, Senator WARNER from Virginia, one of the key Senators in writing the TEA–21 program, will strongly oppose this amendment. There is very strong bipartisan opposition.

The second point I want to make is that this is really, in some sense, kind of a disingenuous amendment. It would make Tammany Hall blush. This is an amendment that would lower taxes just before an election, to the effect that it would increase taxes right after election. I tell you, is that what the American public likes us to do? Lower taxes before an election and pop up automatically and increase it after election? Merry Christmas, a new tax. This goes back into effect in 150 days. Thank you, but I don't think that is something we want to do.

In addition, I have heard it said that there is an ironclad guarantee that nothing comes out of the highway trust fund and the dollars will go for highways. Not true. If Congress meets today, tomorrow, or next week, Congress can always change this provision if it is adopted. There is no guarantee that dollars won't go to the States—none whatsoever, to be clear.

Number 3, I find it ironic that here we are on an estate tax bill trying to help farmers and ranchers, and if this 18-cent Federal gasoline tax actually is passed on—I doubt it will be because the oil industry will take advantage—but if it is, what will be the effect? It will hurt farmers and ranchers. Why? It is going to make gasohol comparatively uncompetitive.

Corn producers, wheat producers, and those who need current law to give them a competitive break to produce gasohol and ethanol from corn and from wheat will be severely disadvantaged if this amendment were to have the effect it purports to have. I don't think it is going to have that effect anyway. If it does, that means there is no help to our motorists. Rather, it all goes into the pockets of the oil companies or the jobbers and marketers. There are tons of reasons why this is a bad idea. I haven't the time to go into all of them. But I wanted to give a flavor of some of the problems that this causes. I hope Senators realize what the consequences would be.

I yield whatever time I have remaining to my good friend from Virginia, Senator WARNER.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I thank my colleague.

Mr. President, may I inquire of the time remaining?

The PRESIDING OFFICER. Three minutes fifty seconds.

Mr. WARNER. Mr. President, it is like the Four Horsemen of the great Notre Dame team—Mr. BYRD, Mr. BAUCUS, Mr. VOINOVICH, and Mr. WARNER—that time and time again comes out on this issue. But it requires the strength of the famous Four Horsemen on the football team because this tax is one that probably—I hesitate to say this, but I am going to say it anyway—is more acceptable to the public than any that I know of because they see this tax translated into things they desperately need by way of road improvements, by way of other improvements, and safety improvements.

How many times do they drive up and down the highways in my State and we see the projects going on. It delays the traffic and they are irritated. But when they go by, they say: When that is fixed it will be better.

These are those dollars that go directly from the gas pump to the project to employment in their States.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks a letter from the National League of Cities, National Association of Counties, Council of State Governments, and the International City/County Management Association dated July 12 of this year. It is addressed to our distinguished leaders, Mr. LOTT and Mr. DASCHLE.

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

(See Exhibit I.)

Mr. WARNER. Mr. President, it says in part the following:

> On behalf of the Nation's elected State and local government officials, we would like to express our strong opposition to this legislation or any other proposals before Congress to repeal or suspend any portion of the Federal gasoline tax.

Further down in the letter:

> It is our understanding that the amendment being proposed . . . would suspend the 18.4 cents Federal gasoline tax for 150 days. As a result of this loss of revenue, States and localities could face significant reductions in spending for transportation planning, highway and bridge repairs, public transit, bike and pedestrian facilities, clean air programs, and most importantly highway safety. Also, without a predictable flow of Federal highway, transit, and aviation funding, States and localities may face more difficulty in long-term transportation planning which will cause projects to be more costly and result in safety concerns.

We learned through the many years that I have been associated with this issue on the Environment and Public Works Committee that planning goes forward years in advance. Contracts are let based on a source of these funds guaranteed by Congress and Federal law. These contractors are not going to risk their working capital. Employers are not going to risk trying to hire additional people if there remains this constant uncertainty around this tax.

I hope the Senate stands with the Four Horsemen, and that we will be able to protect, once again, the interests of the people with the tax which probably is the least objectionable of all taxes.

I yield the floor.

EXHIBIT I

National League of Cities, National Association of Counties, Council of State Governments, International City/County Management Association

July 12, 2000.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate,
Washington, DC.
Hon. TOM DASCHLE,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR SENATORS LOTT AND DASCHLE: It is our understanding that the Senate may consider an amendment this week which would temporarily suspend the 18.4 cents federal excise tax on gasoline. On behalf of the nation's elected state and local government officials, we would like to express our strong opposition to this legislation or any other proposals before Congress to repeal or suspend any portion of the federal gasoline tax.

We believe such proposals would jeopardize funding for critical transportation improvements. We also oppose the proposal to hold the highway trust fund harmless by paying for the loss of gasoline tax revenue with projected non-social security budget surplus monies from the general fund of the U.S. Treasury. This type of shift could endanger funding for vital state and local priorities such as education, public safety, and healthcare.

We recognize that the rise in gasoline prices is a very important issue facing the nation, but temporarily repealing the 18.4 cents federal gasoline tax will not provide long-term solutions to the problem. It will, however, detrimentally affect our ability to continue vitally needed transportation improvements which will directly benefit our shared constituents.

It is our understanding that the amendment being proposed by Senator Abraham would suspend the 18.4 cents federal gasoline tax for 150 days. As a result of this loss of revenue, states and localities could face significant reductions in spending for transportation planning, highway and bridge repairs, public transit, bike and pedestrian facilities, clean air programs, and most importantly highway safety. Also, without a predictable flow of federal highway, transit, and aviation funding, states and localities may face more difficulty in long-term transportation planning which will cause projects to be more costly and result in safety concerns.

In 1998, we supported the funding guarantees created in the landmark Transportation Equity Act for the 21st Century (TEA 21). TEA 21 not only established a record level of investment in surface transportation, it also established a direct link between the collection of transportation user fees and transportation spending. Any reduction in the current federal gas tax will put this carefully crafted, bipartisan agreement at risk.

Thank your for your consideration in this matter. If you have any questions concerning our views on this issue, please feel free to contact us.

Sincerely,

DONALD J. BORUT,
Executive Director, National League of Cities.
LARRY E. NAAKE,
Executive Director, National Association of Counties.
DANIEL M. SPRAGUE,
Executive Director, Council of State Governments.
WILLIAM H. HANSEL, Jr.,
Executive Director, International City/County Management Association.

Mr. MOYNIHAN. Mr. President, if the distinguished Senator from Virginia will yield for a question, I am sure he knows as he invokes the image of the Four Horsemen that at this very moment the Congressional Gold Medal has been bestowed on Rev. Theodore Hesburgh, the president of the Notre Dame football team, which embodies the spirit of the Four Horsemen.

Mr. WARNER. Mr. President, let's fetch him to the floor if possible. Perhaps he can join us and bless this body.

Mr. REID. Mr. President, on the time under my control, I have a question that I would like to ask Senator BAUCUS, the ranking member of the Environment and Public Works Committee.

The one thing that we haven't discussed at length regarding this amendment is that it would cause unemployment in the country.

Mr. BAUCUS. Mr. President, the rule of thumb is that for every $10 billion in highway funds 42,000 jobs are created. Those are good paying jobs. These are not service industry jobs. Those are highway jobs.

The effect of this amendment would be to cut the funding of the highway trust fund by $13 billion over 150 days—roughly 5 months. That is going to mean upwards of at least 50,000 American jobs cut—not there.

Mr. REID. Mr. President, Montana is a very large State. It is a huge State. It is bigger than Nevada. But in addition to Montana being a very large State, we have States such as Nevada which are growing very rapidly. For example, we have one project which is the largest highway project in the history of the State of Nevada costing $100 million. That money came from this fund.

Is that not true?

Mr. BAUCUS. That is exactly right.

Mr. REID. Had we not been able to complete what we refer to as the ''spaghetti bowl,'' the highway would be locked down for not only the people who permanently live there, but it is on the freeway carrying people all over this country. I–15 is one of the major freeways in this country.

What the Senator is telling me, if I understand it, is if this amendment passes, construction projects such as the one I just referred to in the State of Nevada and the renovations and repairs which go on all of the time on those large segments of highway in the State of Montana would basically be shut down.

Mr. BAUCUS. Not only in Montana, but all across the country because this will cost $13 billion. I know the proponents like to claim that the $13 billion would be spent because we take it from other programs. But I point out that $13 billion translates per 150 days into about $30 billion a year.

I ask my good friends rhetorically: Where are we going to cut $30 billion for other programs? I don't think that is going to happen.

Second, even though, if this amendment were to pass—I pray that it does not, but if it were to pass—Congress would probably go into a big scramble. I know my good friend on the Appropriations Committee, Senator BYRD, and Senator STEVENS would say: Where in the world are we going to find $30 billion in one year? It just isn't there.

Mr. REID. Mr. President, I yield up to 5 minutes to the Senator from New York, the ranking member on the Finance Committee, the manager of this bill.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would first like to respond to the minority leader and my friend from Montana.

I once served as chairman of the Committee on Environment and Public Works. I managed major transportation legislation.

I can say to you that absent this revenue from the gasoline tax, which we imposed under President Eisenhower in 1956, and which built the Interstate Highway System and transformed American society, the transportation programs will just stop. There is no other revenue for it. It is a dedicated revenue. They are planned on. This would be the first time they have been interrupted. A whole industry would be interrupted, not to mention the urban and State planning that goes on; not to mention measures such as the Woodrow Wilson Bridge, which is hugely important to Virginia and to the District of Columbia.

Another point on the matter of the price of gasoline: Over the past two decades the price of a gallon of gasoline, adjusted for inflation, has fallen by exactly a third—from $1.49 in 1981 to, in those dollars, $1 in June of this year.

We are not paying more for gasoline. We are paying less for it.

There can be an argument made that the price is too low, but not that we should lower it further and deprive ourselves of the essentials of the transportation infrastructure and construction in this Nation.

Our faithful friend, Dr. Podoff, brought along, as he feels he should, Marshall's Principles of Economics.

In Marshall's ''Principles of Economics,'' the great text at the end of the 19th century, Marshall taught Keynes, who has taught the world, made it very clear, that in situations of shortage such as we are temporarily facing—he was talking about fish, meat; he was not talking about gasoline—the price to the consumer will not be reduced. This is a proposition that drives from theory and is confirmed now by a century of observation in the aftermath of Marshall's principles.

Consumers will get nothing, transportation departments will get nothing, and the public will get a serious disruption in its basic transportation infrastructure, which is not simply highways, but all the other related modes of transit. This is what we have at issue here. I cannot imagine we will do other than continue a program we have had in place since 1956, a third of a century, with extraordinary results. To stop it now would be, in my view, irresponsible.

Based on what Marshall taught us, repealing the gasoline tax, even temporarily, represents a futile attempt to repeal the laws of supply and demand. This is a somewhat curious activity for my colleagues on the other side of the aisle who often express a strong commitment for market economies both at home and abroad.

Let me add a few other facts about the market for gasoline and other fuel products—facts that are obvious even to those with no formal training in economics.

The increase in the price of a gallon of gas from an average of $1.15 in June 1999 to a peak of $1.71 in June 2000—a 56 cent increase—has nothing to do with a 4.3 cent per gallon tax increase, enacted in 1993, or the total federal tax on a gallon of gas of 18.3 cents, neither of which have increased over the past 12 months.

The price of a gallon of gas peaked at about $1.71 in mid-June and has already declined by about 8 cents. The change in the prices has nothing to do with tax policy and is mostly related to OPEC's production decisions.

In September, 1993, the month before the 4.3 cent tax increase went into effect, the price of a gallon of gasoline was $1.15. Three months later, after the tax increase, the price was $1.14.

In 1996, the cost of gasoline increased rapidly from $1.19 in January to $1.39 in May—following roughly the same pattern that we are now observing. The Senate debated repeal of the 4.3 cent tax, but fortunately took no action as two attempts at cloture failed. By January, 1998 the price of a gallon of gasoline was back to $1.19—and in real terms had actually declined a few pennies.

And, as I noted earlier, over almost two decades, the price of a gallon of gasoline in constant (inflation adjusted) dollars has fallen by about a third, from $1.49 in 1981 to about $1.00 in June of this year. The reduction in gasoline prices occurred even as the economy expanded almost continuously—92 months in the 1980s and a record setting 112 months in the current expansion, which shows no signs of ending. Over the past two decades the economy, in real terms, has almost doubled, while the unemployment rate has been cut by half.

True, over the past two decades the price of fuel products has fluctuated, often somewhat unpredictably. For example, in 1986 the price of a gallon of gasoline decreased by 36 cents from the

beginning to the end of the year. The next year the price increased by 11 cents. While economists often cannot predict, or even explain, energy price volatility, they can tell us the effect, in the short-run, of reducing fuel taxes. The price to the consumer will not be reduced. This is something we know; or it can be said as much as things like this are knowable. For a century, it has been the clearest understanding of the economics profession that under short-run supply conditions, a change, such as a reduction in an excise tax, does not affect the price paid by the consumer.

During a similar debate on gas tax repeal in May of 1996, I also referred to the theories of Marshall and attempted to summarize his wisdom. Here is what I said then:

Marshall took the example—to illustrate short-term supply, a fascinating thing—he took the example of fish. He said, what happens if there is a sudden change in the situation? Weather makes fish more or less available—a nice point—or if there is an increased demand for fish caused by the scarcity of meat during the year or two following a cattle plague. Mad cow disease in the late 19th century. A scarcity of fish caused by uncertainties of the weather . . . . These things come. Would outside intervention change the price of fish to the consumer in that circumstance, when there was a fixed supply? The answer from Alfred Marshall is emphatically ''no.'' Students of economics my age will remember this book. It is a very heavy book, but it is still around and it works. What it propounded is very clear.

And now let me state the conclusion as simply as possible. Market values are determined by the relationship between supply and demand.

This is something businessmen know. In 1996, Mr. Mike Bowlin, Chairman of ARCO, had this to say about the matter when he appeared on ABC's ''Nightline'':

My concern is that there are other market forces that clearly will overwhelm the relatively small decrease in the price of gasoline, and that alarms me, that people's expectations will be that the minute the tax is removed, they want to see gasoline prices go down . . . and that won't happen.

At about the same time—May 1996—I noted, on the Floor of the Senate, the comments of Dr. Philip Verleger, a well-known energy economist. The author of several books on the subject, including Adjusting to Volatile Energy Prices, Dr. Verleger was, at that time, quoted in The Washington Post:

The Republican-sponsored solution to the current fuels problem . . . is nothing more and nothing less than a refiner's benefit bill. . . . It will transfer upwards of $3 billion from the U.S. Treasury to the pockets of refiners and gasoline marketers.

In March of this year, when the Senate was considering a change in gas tax policy, I wrote the following to Dr. Verleger:

I assume that since the economics of a gas tax reduction has not changed—something we have known since at least Alfred Marshall—neither have your views.

He replied the very same day:

In my view, the US petroleum industry is operating at or close to capacity. Thus refiners will be unable to boost gasoline production if the tax [repeal] becomes law. Further, inventories of gasoline are currently very low due to the destabilizing actions taken by OPEC. This means that the supply of gasoline has been essentially determined—totally inelastic in technical terms—through the summer. Under these circumstances, consumers are not likely to see any benefit from suspension or repeal of the gasoline tax.

Dr. Krugman said much the same thing in a March 15, 2000, New York Times op-ed. For Professor Krugman there simply is no getting around the fact that we face a supply problem:

Now suppose that we were to cut gasoline taxes. If the price of gas at the pump were to fall, motorists would buy more gas. But there isn't any more gas, so the price at the pump, inclusive of the lowered tax, would quickly be bid right back up to the pre-tax-cut level. And that means that any cut in taxes would show up not in a lower price at the pump, but in a higher price paid to distributors [emphasis added]. In other words, the benefits of the tax cut would flow not to consumers but to other parties, mainly the domestic oil refining industry. (As the textbooks will tell you, reducing the tax on an inelastically supplied good benefits the sellers, not the buyers.)

It is worth repeating Krugman's conclusion—''benefits of the tax cut would flow not to the consumers but to other parties, mainly the domestic oil refining industry.''

We here in Congress know this too, and I suspect that is why the legislation we have before us contains a ''Sense of the Congress'' section that ''consumers immediately receive the benefit of the reduction in taxes.'' We surely want the consumer to realize some savings, but doubt that they will. The question for this body is whether we should approve legislation that contains what amounts to a concession of failure within its very text. Discouraging.

Finally, I would point out to my colleagues that the Transportation Equity Act for the 21st Century was signed into law less than two years ago. TEA–21 as it is known, is a six-year Federal surface transportation bill that consumed nearly two years of committee action and Floor debate. In the end, the bill passed 88–5 based on the agreement that Federal motor fuel excise taxes would be collected at least through Fiscal Year 2003—the last year of TEA–21's authorization. During the debate on TEA–21, the Senate was afforded the opportunity to repeal 4.3 cents per gallon of the Federal motor fuel excise taxes. By an 80–18 vote, we rejected repeal and instead opted to invest that revenue in our Nation's transportation infrastructure.

Just this past April, the Senate went on record again to reject any type of suspension of the motor fuel excise tax by a 56–43 vote on the Majority Leader's bill S. 2285, which would have called for a fuel tax holiday of the 4.3 cents for a six month period.

According to figures from the Federal Department of Transportation, if the entire 18.3 cents gas tax were to be suspended for six months, the Federal-aid Highway program could lose an estimated $9.6 billion in fuel tax revenues.

Mr. President, suspending the Federal taxes on motor fuels will do little or nothing to lower fuel costs. But it will cause considerable disruption to our Federal transportation program, even with a ''hold harmless'' provision. We ought not set precedents of this kind. They will come back to haunt us another day.

I would caution my colleagues to exercise caution when they propose to undo agreements made by such overwhelming majorities.

Mr. President, suspending portions of the Federal excise taxes on motor fuels will do little or nothing to lower fuel costs. To my mind, that is reason enough to reject this measure.

OPEC's decision last year to restrict supply was the primary reason fuel costs increased. OPEC's future production decisions will be the primary reason gas prices go up or down in the future.

Mr. ABRAHAM. In light of the time situation, I ask unanimous consent to be granted 10 minutes of our leader's time to continue this debate.

Mr. MCCAIN. I object.

The PRESIDING OFFICER. The objection is heard.

Mr. ABRAHAM. I yield the remaining time to the Senator from Texas.

Mrs. HUTCHISON. Mr. President, how much time remains for Senator ABRAHAM?

The PRESIDING OFFICER. Four minutes 15 seconds.

Mrs. HUTCHISON. I ask to be notified at 2 minutes because Senator CRAIG from Idaho also desires to speak.

Mr. President, if the highway trust fund were going to be affected at all, I could not be a sponsor of this amendment. But the highway trust fund is specifically held harmless.

We passed a budget resolution in this Senate that said we would give $150 billion in tax relief for this Nation over the next 5 years. We are talking about roughly $12 billion of that money that we have already allocated for tax relief for hard-working Americans. That is what will keep the highway trust fund totally whole.

The highway trust fund will not lose one penny. There will be no safety crisis. There will be no stoppage of money going into the flow for the highway trust fund. In fact, this is a tax relief measure because we have had a crisis that was not expected. We have had a crisis with families going on vacation,

consumers, people who have to drive to work every day. What about the independent trucker who is now paying $150 to $200 a tank more than they have ever paid before because the price of gas is so high?

We must give this temporary relief, as we take longer term measures to try to take our dependence on foreign oil down to a level that is acceptable. Until we do that, we need to give this immediate relief. We have it in the budget to do it. We will not touch the highway trust fund.

The leaders in this effort—Senator ABRAHAM, Senator FITZGERALD, Senator GRAMS—come from States that are particularly hard hit. They are States where truckers are saying they can't meet their contract requirements. They may even lose their trucks.

Mr. President, I urge support for the Abraham amendment.

Mr. ABRAHAM. Mr. President, I seek unanimous consent to be granted 5 minutes of leader time to summarize our amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, we need a ruling from the Chair. I am certainly not going to object, but I want to make sure we understand this.

Under the bill, there is 90 minutes given to each leader. Senator DASCHLE has delegated that time for me to control. When we talk about the ''leader's time,'' that is the time about which we speak; is that right?

The PRESIDING OFFICER. The Chair understands in this context that term refers to the 90 minutes granted to each leader.

Mr. REID. The leader's time would be in addition to that; is that right? Each day that we come before the body, there is an agreement that the leader's time is reserved for some future time.

Mr. ABRAHAM. Perhaps I could clarify.

Mr. REID. Let's let the Chair rule.

The PRESIDING OFFICER. Each leader does have 10 minutes under the standing order every day, and that time is referred to also as leader's time.

Mr. REID. The question I ask the Chair: Do we therefore have 90 minutes, plus 10 minutes, or is it just 90 minutes today?

The PRESIDING OFFICER. Ninety minutes plus 10.

Mr. REID. I make sure that the time my friend from Michigan wishes to use is off the 90 minutes, not the 10 minutes.

Mr. ABRAHAM. That is what I sought to clarify a moment ago. I recognize that the two separate timeframes can be confused, and I will modify my unanimous consent request to request 5 additional minutes off the 90 minutes accorded to the leader on my side for debate on this legislation.

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

Mr. ABRAHAM. Mr. President, I appreciate the debate we have had today. The bottom line remains the same: People in America are paying too much for gasoline. Congress must do something about it. I have heard an array of objections raised by people as to why this can't be done.

Given the actions this Congress regularly takes on appropriations legislation, on budget legislation, on tax legislation, moving gigantic packages in short periods of time when we do our omnibus spending bills, the notion that this legislation somehow doesn't accomplish the mission of protecting the highway fund from diminution is, to me, an inaccurate statement.

The road projects will continue. The legislation ensures that the money will be there. We are aware that we have on-budget surpluses, not touching Social Security, adequate to meet the cost of suspending the gas tax. I believe those claims just simply are off the mark.

This will be a stake through the heart, if this is defeated, of the consumers of America who are paying way too much right now in gasoline prices. They deserve a break. Consumers in my State, for whom I come to the Senate floor and fight every day, deserve that break.

We are paying the highest gas prices in America. Whether consumers drive a minivan back and forth to children's activities, or drive a car to their job, regardless of their needs, in Michigan and across America, I find it hard to believe there is anyplace in America today where Members of this body are not hearing from constituents that the price of gasoline is too high.

We selected 5 months as the duration of this action for a simple reason. That is what we have been told by the spokesperson at the Department of Energy and in this administration is the approximate duration of time it will take for the various efforts they are engaged in to try to bring down the price of gasoline.

I am happy to modify this amendment to a shorter timeframe if we have assurances from anybody that would, in fact, be an adequate period of time for the supply issues to be addressed. That is not what we have heard. We heard it will take longer. We cannot wait longer in Michigan. We want relief now. The one thing we can do as a body is to suspend the Federal gas tax for 150 days.

I believe this is a clear-cut choice. We are here to try to help the men and women, the hard-working families of this country. This is something we can do in a concrete way to help them. It can be done in a fashion that does not undermine the road projects going on.

I believe this price, as a result of the suspension of the gas tax, will translate into prices at the pump. We saw it in our State the other day. As soon as the station brought down prices 18 cents, everybody went to that station for gas. In any station, any oil company that does not bring down its prices in accordance with the passage of this legislation will lose business to the stations that do. That is the way of supply and demand. That is the way price will work. It will create the competitive market in which the people who abide by the terms of this legislation quickly benefit because they will be the ones with the customers.

It will help the farmers in my State who are right now screaming because of high gasoline prices. It will help the tourism industry in my State which is deeply concerned that the price of gasoline is so high. It will help the automotive industry which is worried that we will once again see a recession caused by a shift from American-made products to foreign imports.

For those reasons, I urge my colleagues to support this legislation. I assure them, look at it yourself; you will see the language is explicit. The highway trust fund moneys will not be diminished if we do this but consumers will gain the benefit with which we sought to protect them in the suspension of this gas tax.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, for the closing debate on the minority side, I yield 2 minutes to the Senator from Montana.

Mr. BAUCUS. Mr. President, to summarize, obviously motorists do not like paying higher gasoline prices. As has been pointed out, it is a product, essentially, of supply and demand—in this case, short supply. That is what has happened.

I must also point out the price of gasoline is starting to come down significantly. According to figures as of July 10, the national average price of gasoline has fallen 3 cents since last week, 8 cents since the recent high on July 12. That is not a lot, but it is better. In the Midwest, prices have fallen by 28 cents since their high on June 19, settling just below the national average, I might add. And for areas in the Midwest using reformulated gasoline, prices have fallen more than 34 cents since their high on June 19, settling just 4 cents above the national average. So prices are already coming down.

No. 2, in real terms we are paying less, one-third less than we were in 1981. That is not an unimportant point. That is very important.

In addition, this is an off-again, on-again tax. This is a yo-yo tax. On again, off again, that is no way for the Congress to conduct fiscal policy. It

just is not. Pretty soon, if we do this, we will have off-again, on-again taxes on everything under the Sun. What in the world is going on here? The American people want stability. They don't like the charades, the sleights of hand. Here is a tax that is going to go off just before an election, go right back on right after the election. Come on, give me a break. Is that what we want to do here?

I might add, this is expensive. The Senator says it is not going to come out of the highway trust fund. Let's put it this way: There is going to be at least $13 billion lost to revenue, and the Appropriations Committee has the authority to set the ceilings that are spent under the highway program. So it could lower those ceilings. It could come out of the highway trust fund, in effect. When we are out here trying to balance the budgets and figure out how to keep spending underneath the caps, there is a very good chance these dollars will come out of the highway trust fund and not go to the States. It is going to happen.

Finally, this is a program that has the trust of the American people. When they go to the pump and pay that 18.4 cents, they know it goes to the highway trust fund and they know the dollars come back to their States for highway construction, bridges, urban programs, and so forth.

Let's keep a little sanity around here and resoundingly reject this amendment.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that a letter dated July 13, 2000, from Andrew Quinlan of CapitolWatch to Senator LOTT be printed in the RECORD.

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

CAPITOLWATCH,
Washington, DC, July 13, 2000.

Hon. TRENT LOTT,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR MAJORITY LEADER LOTT: On behalf of CapitolWatch and its 250,000 citizen lobbyists, I urge you to support an amendment sponsored by Senator Spencer Abraham (R–MI) to H.R. 8—the Death Tax Elimination Act. Sen. Abraham's amendment would suspend the 18.4 cents federal fuels tax for 150 days. With people in our nation's heartland paying over $2 a gallon coupled with a record budget surplus, the need has never been greater to suspend such a burdensome tax nor has the means to pay for it been more readily available.

Those who defend the federal gas tax do so on the basis that these taxes go to the Highway Trust Fund and presumably to the safety of our nation's highways. However, Abraham's amendment specifically addresses this concern by stating that it would replenish the Highway Trust Fund with some of the non-Social Security Surplus. The cost of this amendment would be $6.5 million, or only a little over 12 percent of the current budget surplus minus the Social Security and Medicare Trust Funds.

With record surpluses, a gas tax suspension would be an excellent way to immediately give part of that surplus back to overtaxed Americans. Sen. Abraham's amendment will accomplish two important goals of CapitolWatch. It would return a tax dividend back to hard-working Americans who created our historic economic growth and would keep Washington from spending the surplus on additional pork barrel projects instead of tax relief or debt reduction.

CapitolWatch's 250,000 supporters urge every member of the Senate to support Abraham's gas tax amendment and suspend the gas tax. If you would like more information, please contact CapitolWatch at (202) 544–2600 or visit our Web page at www.CapitolWatch.org.

Sincerely,

ANDREW F. QUINLAN,
Executive Director.

Mrs. FEINSTEIN. Mr. President, I am as upset by the gasoline price spikes as anyone else. I believe they are still very high in California, though prices have come down in my State from the highs they reached in March.

Having said that, I feel obliged to oppose this amendment despite understanding the sentiment behind it. The problem with the amendment is that there is no way to guarantee that a reduction in the federal gasoline tax will be passed on to consumers.

At least that's what the chief executive officers of the three major California refiners told me. Collectively, they produce 70 percent of California's gasoline. Earlier in the year, I called them. None could guarantee that a decrease in the gasoline tax would cause the same drop at the pump. They cited the fundamental problem with supply, and also pointed out that they have no control over other entities in the supply chain.

Price is a function of supply and demand, not taxes and right now, world oil markets are extremely tight, so prices are high. The way to relieve the pressure on the market is to boost supply and reduce demand.

With regard to supply, 14 nations sell oil to the U.S. under a cartel known as the Organization of Petroleum Exporting Countries, OPEC. Like any monopoly, OPEC controls the price of oil by limiting supply. Decreased production in non-OPEC countries like Venezuela, Mexico, and Norway has also contributed to the squeeze.

Since OPEC is not bound by U.S. law, there are only a few things the U.S. can do to encourage the cartel to increase supply. The preferred alternative is diplomacy.

It takes several weeks for production increases to be felt at the pump in lower prices, and California has unique problems affecting its supply. No other State requires the kind of reformulated gasoline that California does. So the gasoline has to be refined in California, and California refiners have had problems—including two fires—operating their plants at full capacity. They are at full capacity now.

As I said a moment ago, this amendment does not solve the problem of high gasoline prices. Under California law, if the federal gasoline tax drops by 9 cents per gallon or more, then the State tax automatically rises to off-set the federal decrease. The law is designed to protect the Highway Trust Fund. I have spoken with members of the California Legislature about this. They do not seem inclined to change the law.

What are our options?

The fact is, we have limited control over supply. Too much of the world's oil is produced elsewhere. The one thing we can control is demand.

The best way to reduce demand is to require that sports utility vehicles, SUVs, and light duty trucks get the same fuel efficiency that passenger vehicles do. If SUVs and light duty trucks had the same fuel efficiency standards as passenger cars, the U.S. would use one million fewer barrels of oil each day.

This is roughly equal to the U.S. shortfall before OPEC increased production.

The Department of Transportation is responsible for setting fuel efficiency requirements under the Corporate Average Fuel Economy, CAFE, program. About two-thirds of all petroleum used goes to transportation, so boosting fuel efficiency is an important way to wean ourselves off OPEC oil and reduce the price motorists pay for gasoline. Consider, too, the significant environmental and health benefits of higher fuel efficiency.

But CAFE standards have not increased since the mid-1980s. And the situation is made worse by a loophole in the CAFE regulations. SUVs and light duty trucks—which are as much passenger vehicles as station wagons and sedans—are only required to average 20.7 miles per gallon per fleet versus 27.5 miles per gallon for automobiles.

Since half of all new vehicles sold in this country are fuel-thirsty SUVs and light duty trucks, this stranglehold on energy efficiency has produced an American fleet with the worst fuel efficiency since 1980. We are going backwards!

According to the non-partisan American Council for an Energy Efficient Economy, the U.S. saves 3 million barrels of oil a day because of CAFE standards. Close the SUV loophole, as I said a moment ago, and save another million barrels each day.

Overall, SUV and light duty truck owners spend an extra $25 billion a year at the pump because of the ''SUV loophole.'' Making SUVs and light duty trucks get better gas mileage would save their owners some $640 at the pump each year when the price of gasoline averages $2 per gallon.

The bottom line is that eliminating some or all of the federal gasoline tax will not lower prices at the pump. The best way to do that is to reduce our demand. The best way to reduce demand

is to increase the gas mileage requirements for SUVs and light duty trucks.

Mr. KOHL. Mr. President, I want to take a moment to discuss my opposition to this legislation repealing the federal gas tax of 18.4 cents.

The rising gas prices of this past spring and summer have been a great concern to many of us across the country, and nowhere has the burden been greater than in my State of Wisconsin where gas prices at some locations peaked over $2.00 per gallon. Families and businesses have been hard hit by this unexpected strain on their budgets. Everyday activities of work and recreation and summer travel plans have been altered. Fortunately, prices have begun to decline, and we are hopeful that that trend will only continue in the approaching months. This decline is in no small part the result of the bipartisan efforts of our Congressional delegation to provide relief to our constituents. With many forces at play, we worked strenuously to get to the root of the rising gas price problem.

First, we requested an EPA waiver from the reformulated gas requirements, which many considered to be a minor, yet still contributing, factor to the price increases. We also took the oil companies to task for gouging the consumer at the pump, while enjoying huge increases in profits. We called for a Federal Trade Commission investigation into the causes of spiking prices in Wisconsin and the Upper Midwest and now await the preliminary report. Lastly, we have attacked the main cause of the problem—the coordinated underproduction of oil on the part of OPEC, the organization of oil-producing nations. Fortunately, under pressure from Congress and the Administration, the OPEC nations have agreed to increase their oil output. All these efforts taken together have yielded positive results, with prices dropping by 30 to 40 cents, and certainly we will continue to be vigilant to ensure this trend continues.

Clearly I am very sympathetic to the amendment sponsor's stated goals of providing relief at the pump. But I am convinced that repealing the gas tax is the wrong way to achieve this important goal. Repealing the tax will drastically reduce the funds available for critically needed highway safety and maintenance programs, jeopardizing highway safety and putting other local services at risk by creating budget shortfalls. Moreover, repealing the tax does not guarantee that prices will go down for consumers. In fact, there is a strong likelihood that repealing the gas tax would only deliver more profits to the oil companies without delivering any relief to the consumer.

With the TEA–21 highway bill, we worked hard to guarantee that gas tax revenues would go to states for infrastructure improvements and to make the distribution of those monies fair for Wisconsin. We went from a 92 percent to 99 percent return on the dollar for Wisconsin, and those funds are desperately needed for road, bridge and transit improvements. It would be disastrous to lose transportation money just as Wisconsin, with our short construction season, is poised to start a number of road improvement and expansion projects.

Mr. BOND. Mr. President, I commend my good friend from Michigan on his attempt to address the issue of high gas prices. However, I must oppose his amendment.

The problem with the high gas prices we are experiencing is not the result of the gas taxes, but with the fact that the Clinton/Gore Administration has pursued a long-term consistent energy policy discouraging domestic production of oil, coal, nuclear, gas, hydropower, etc. The result of this cartel policy has been to put us over a barrel—an OPEC barrel of oil with resulting high gas prices.

My colleagues offering this amendment have stated that this amendment would hold the trust fund harmless. Once again, I applaud their desire to help the consumers, but violating the ''trust'' in the highway trust fund is not holding the trust fund harmless.

We cannot risk the tremendous gains we made to ensure that the gas tax was a dedicated tax for a dedicated purpose. This is a true user fee. This is a user fee that works. I urge my colleagues to oppose the Abraham amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

The Democrat whip.

Mr. REID. Mr. President, I raise the point of order that the pending amendment violates section 311(a)(2)(B) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. If the Senator will withhold, the Senator from Michigan still has time remaining.

Mr. REID. He yielded back his time previously.

Mr. ABRAHAM. I yielded the floor, but I will yield back the remainder of my time.

Mr. REID. I apologize.

Mr. ABRAHAM. May I respond, then, to his motion—or his point of order?

Mr. REID. It is not in order.

Mr. ABRAHAM. Mr. President, I move to waive section 311 of the Budget Act with respect to this amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Connecticut (Mr. DODD) is necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 40, nays 59, as follows:

[Rollcall Vote No. 183 Leg.]

YEAS—40

Abraham	Grams	Nickles
Allard	Grassley	Roth
Ashcroft	Gregg	Santorum
Bennett	Hatch	Sessions
Brownback	Helms	Shelby
Bunning	Hutchison	Smith (NH)
Campbell	Inhofe	Smith (OR)
Coverdell	Kyl	Snowe
Craig	Lott	Specter
Crapo	Lugar	Stevens
Fitzgerald	Mack	Thompson
Frist	McCain	Thurmond
Gorton	McConnell	
Gramm	Murkowski	

NAYS—59

Akaka	Durbin	Levin
Baucus	Edwards	Lieberman
Bayh	Enzi	Lincoln
Biden	Feingold	Mikulski
Bingaman	Feinstein	Moynihan
Bond	Graham	Murray
Boxer	Hagel	Reed
Breaux	Harkin	Reid
Bryan	Hollings	Robb
Burns	Hutchinson	Roberts
Byrd	Inouye	Rockefeller
Chafee, L.	Jeffords	Sarbanes
Cleland	Johnson	Schumer
Cochran	Kennedy	Thomas
Collins	Kerrey	Torricelli
Conrad	Kerry	Voinovich
Daschle	Kohl	Warner
DeWine	Landrieu	Wellstone
Domenici	Lautenberg	Wyden
Dorgan	Leahy	

NOT VOTING—1

Dodd

The PRESIDING OFFICER. On this vote, the yeas are 40, the nays are 59.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, I was necessarily absent while attending to a family member's medical condition during Senate action on roll call votes 180 through 183.

Had I been present for the votes, I would have voted as follows: On roll call vote number 180, Senator MOYNIHAN's Amendment No. 3821, to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes, I would have voted ''aye.'' On roll call vote number 181, Senator HATCH's Amendment No. 3823, to amend the Internal Revenue Code of 1986, to provide a permanent extension of the credit for increasing research activities, I would have voted ''aye.'' On roll call vote number 182, Senator SCHUMER's Amendment. No. 3822, to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and

the qualified family-owned business interest deduction, to make higher education more affordable, to provide incentives for advanced teacher certification, and for other purposes, I would have voted ''aye.'' On roll call vote number 183, the motion to waive the budget act with respect to Senator ABRAHAM's amendment 3827, to amend the Internal Revenue Code of 1986 to temporarily reduce the Federal fuel tax to zero, I would have voted ''no.''

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 3828

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. KENNEDY, Mrs. MURRAY, Mr. DODD, Mr. KERRY, Mr. SCHUMER, and Mr. DORGAN, proposes an amendment numbered 3828.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction and expand education initiatives, and for other purposes)

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

SEC. 2. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 3. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

SEC. 4. APPROPRIATIONS.

There are appropriated, out of any money in the Treasury not otherwise appropriated, the following amounts:

(1) $1,750,000,000 to carry out class size reduction activities in the same manner as such activities are carried out under section 310 of the Department of Education Appropriations Act, 2000.

(2) $2,200,000,000 to carry out title II of the Elementary and Secondary Education Act of 1965 and title II of the Higher Education Act of 1965.

(3) $250,000,000 to carry out sections 1116 and 1117 of the Elementary and Secondary Education Act of 1965.

(4) $1,000,000,000 to carry out part I of title X of the Elementary and Secondary Education Act of 1965.

(5) $325,000,000 to carry out chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965.

(6) $1,000,000,000 to carry out part B of the Individuals with Disabilities Education Act.

(7) $3,000,000,000 to enable the Secretary of Education to carry out a College Completion Grant Program.

(8) $150,000,000 to carry out part D of title I of the Elementary and Secondary Education Act of 1965.

(9) $1,300,000,000 to carry out title XII of the Elementary and Secondary Education Act of 1965.

Mr. BINGAMAN. Mr. President, this is an amendment I offer on behalf of myself, Senators KENNEDY, MURRAY, DODD, KERRY, SCHUMER, and DORGAN.

It will do a fairly simple thing. It will provide for the relief from estate tax that is proposed as the Democratic alternative on which we voted earlier today so that there will be a substantial reduction in the amount of estate tax over a period of time. It would, however, take some of the additional revenue that would not be going to estate tax relief under the Republican plan and would dedicate that instead to education.

This is an important issue. This is an amendment, as were several others we voted on already, that relates to our priorities and what we would like to do with revenue over the next several years, how much of it should be returned, to which group of taxpayers, how much should be spent on needs we have here in the country.

Those of us who are proposing this amendment believe it should be a higher priority for us to improve our schools and the future of all of the children in this country—rich and poor, black and white, metropolitan and rural—than it is to assist inordinately a relatively small group of people beyond the $8 million that is provided for as an exemption from the estate tax under the Democratic plan.

The amendment makes a commitment to invest some of the savings from the elimination of the Republican estate tax proposal into our public schools. The amendment would guarantee that parents and communities have the support they need to provide every child with a good public education, to send every qualified student to college.

I was reading the paper yesterday. I noticed that the first day of the Republican National Convention has the theme of ''leave no child behind.'' That is a worthy theme. I commend them for adopting it. I believe this amendment could be characterized as the ''leave no child behind'' amendment. Instead of dedicating huge resources toward providing very wealthy individuals with a tax break—I think it has been discussed several times and is agreed to by all, the Republican plan does provide over $100 billion of tax relief over the next 10 years, $750 billion over the following 10 years—instead of providing that much in the way of tax relief for the very wealthiest in our society, the amendment ensures that small businesses and family farms receive a significant tax break. It also provides funds for programs that have been proven to improve student achievement in public schools, to assist students seeking postsecondary education.

Let me clear up one misconception I have uncovered in my home State of New Mexico. I spoke to one of my good friends there this last week. He said: I don't see why you object to repeal of the estate tax. It does not involve a significant amount of Federal revenue. It is mainly an irritant to people to have an estate tax or to pay an estate tax.

What we have been talking about with the Republican proposal is $100 billion over the next 10 years, $750 billion over the following 10 years. We are spending in this current fiscal year $14.4 billion total on elementary and secondary education in this country. That is Federal money. We are talking about tax cuts in the Republican plan which are substantially greater than the amount the Federal Government is spending on education each year. It is an important item. In my view, it is very much a statement about our priorities.

One of the critical elements in this amendment is school construction. We would fund a program to increase safety and decrease overcrowding in our schools. We would provide $1.3 billion in grants and loans for urgent repair of 5,000 public elementary and secondary schools in very high-need areas. These programs would provide over $200 million to my home State of New Mexico where current estimates for school repair and modernization approach $2 billion.

Accountability: We would support tough accountability for results by setting aside $250 million for title I accountability grants. That is something we have been trying to do at several points in this session of Congress. We still have not succeeded. That would be accomplished if we adopted this amendment.

Dropout prevention: The amendment provides crucial support for programs designed to prevent students from dropping out of school. This is a vital issue in my State, particularly for the Hispanic community. Many of our Hispanic young people do not complete high school. The percentage of people who do complete high school is appallingly low. We need to deal with that. It is a crisis situation.

Teacher quality: Senator KENNEDY has led the way on trying to improve teacher quality in this session of the Congress. This amendment would provide $2.2 billion for teacher quality programs so we can ensure that every child is taught by a qualified instructor.

Class size: We would continue progress in achieving smaller classes by providing $1.75 billion to fulfill our commitment to hire 1 million teachers to reduce class size in the early grades.

Afterschool programs: Again, we would try to expand those by adding $1 billion to that funding.

Meeting our commitments to special education: Again, we would try to add a billion dollars in this amendment for the IDEA funding, which I know many Members of this body, both Democrats and Republicans, support.

Affordable college opportunities: Higher education makes a huge difference in earnings and general mobility, even more in subsequent generations of a family. This amendment provides $3 billion for college opportunity tax credits. It would increase funding for the GEAR UP program by $325 million.

I know some critics say this amendment is not related to the underlying tax reduction. I point out that exactly the opposite is true. The real issue for us is, what are our national priorities? Are we going to reduce the revenue coming into the Government by enormous amounts here in order to assist those who are wealthiest in our society, at the expense of adequately funding these education programs that I believe are desperately needed?

The truth of the matter is that Americans want better educational outcomes for their children, not more tax cuts for the wealthy. I challenge anyone to pose the option before us to the voters: Should Congress exercise its leadership by providing $50 billion in tax cuts to the wealthiest 2 percent of the population each year? Or should Congress, instead, exercise its leadership by using some of that revenue to improve the educational outcomes in our public schools? I believe the American public is clear in their answer on that.

I urge my colleagues to support this amendment.

I will yield the remainder of my time to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President I yield myself 5 minutes.

Earlier today, we had an excellent presentation made by the two Senators from North Dakota about the Democratic alternative. In those presentations, they pointed out that the arguments made on the other side about the importance of changing the estate tax so it addressed the needs of family farms and small businesses would be addressed in the Democratic alternative.

The basic Republican position is to hold those small family farmers hostage until they get what is the ''big apple,'' which will provide some $700 billion to the wealthiest individuals in this country; 2,400 taxpayers will get $300 billion in tax relief. The Forbes 400 families will get, effectively, $250 billion.

As the Senator from New Mexico has pointed out, this is an issue of our priorities. What his amendment says is that we can address the particular needs of the family farms and small businesses, and rather than use all the other kinds of revenues, out of the difference between the $64 billion and the $104 billion of the Republicans, we can take $11 billion of that this year and use those scarce funds in order to try to meet the educational needs of the children of this country. That is what this is about.

As was pointed out by the Senator from New Mexico, this is really a choice about priorities. Are we interested in providing tax breaks for the wealthiest individuals in our society, or are we interested in investing in the children of our country? We will have an opportunity to address that in just a few moments.

What we have seen in the past decade is an explosion in the number of children who are attending grades K through 12—going from 46.4 million in 1990 all the way up to 53.4 million in the year 2000. At the same time, we have seen a rather dramatic reduction in Federal support for elementary and secondary education from the 1980s; in 1980, 11.9 percent out of every dollar spent came from the Federal Government, and this was down to 7.7 percent in fiscal year 1999. We have also seen this lowering in higher education. We addressed this issue in the Schumer amendment earlier—unsuccessfully. But we had a debate on it. This measure addresses this differential in elementary and secondary education.

It is fair enough to ask whether the substance of this amendment will make very much of a difference to the children in this country. Once again, we have the most recent reports and the most recent studies that have been done by the Congressional Research Service that point out, as of the very end of June of this year, their evaluation of what has happened with smaller class sizes in California.

California's class size reduction shows that reducing class size improves student achievement. A study of the first 3 years of class size reduction in California shows that smaller classes have boosted student achievement in communities across the State for the second year in a row. It says the evaluation shows that though students in the most disadvantaged schools were more likely to be in larger classes and have less qualified teachers, students in smaller classes still outperform their peers in larger classes, even with less-qualified teachers. These students could be performing even better if all the children in those schools have fully qualified teachers and smaller class sizes.

That is exactly what this amendment does. I don't know how often we have to bring in the latest evidence. Here is the latest evidence, which shows students will perform better with smaller class sizes and better trained teachers. This amendment also provides afterschool programs with tutorial, tough accountability standards, dropout prevention programs, a billion dollars for special needs in IDEA, and a modest program to try to address the $112 billion necessary for school construction—you make a difference when you invest in the children of this country. We are here to say that we believe one of the priorities of American families ought to be in using this money to invest in the children and not to provide

a windfall tax break for 2,400 of the wealthiest individuals in this country. That is what this vote is about.

I reserve the remainder of my time.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I will submit a unanimous consent request, and I make the request that the time already used on this amendment would not count against the time we are fixing to ask for in this unanimous consent.

I ask unanimous consent that the time between now and 6:30 p.m. be equally divided in the usual form between the two leaders and the following amendments be debated for up to 20 minutes, equally divided, in the following order:

BINGAMAN, on education; ROTH, on phone tax; GRAHAM, on Medicare; GRASSLEY, on farmers; BAUCUS and KERREY, regarding the KidSave matter; GRAMS, on Social Security.

I further ask unanimous consent that at 6:30 the Senate proceed to a series of votes in relation to the above-listed amendments in the order offered, with 2 minutes of debate equally divided for each amendment prior to each vote.

Mr. REID. May we add that after the first vote, each vote be 10 minutes?

Mr. LOTT. Yes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. I thank my colleagues for their cooperation. This is the only way we are going to be able to get through this list. This is a good way to do it. In light of the agreement, the next votes will be in a stacked sequence at 6:30. We will try another stacked sequence of six at that time. If we can proceed on this basis, we can get this work completed at a reasonable time tonight.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, I yield myself 10 minutes, and I will yield 10 minutes to the distinguished Senator from Arkansas.

The PRESIDING OFFICER. The Senator's time is limited to a total of 10 minutes under the agreement just reached.

Mr. GRAMM. I can live with that. The world won't come to an end if I don't speak for 10 minutes. As I understand it, the agreement on the time would not include this amendment.

The PRESIDING OFFICER. The time already used.

Mr. GRAMM. Then I will take 5 minutes, and I will yield 5 minutes to my colleague.

Mr. President, I could not help but hear Senator KENNEDY talking about the need for education. I would like to remind my colleagues that we and a Republican Congress spent more on education last year than the President asked for.

Our colleague from New Mexico talks about priorities. Bill Clinton, in his budget, calls for over a trillion dollars of new spending over the next 10 years. Not one Democrat raises any concern about spending the surplus. We propose $100 billion to eliminate the death tax, one-tenth the amount Bill Clinton wants to spend on new programs, and they are up in arms, outraged.

Now, this is about priorities. What are we trying to do? We are trying to eliminate a situation where, every day, working Americans build up farms and build up businesses with sweat equity. They save and sacrifice, and they work long hours. They pay taxes on every dollar they earn. And then, when they die, the Government comes in and forces their children to sell the business or sell the family farm, and we think it is wrong. We think it is un-American, we think it is immoral, and we are going to eliminate it.

When you get down to the bottom line, there are two reasons our Democrat colleagues disagree. Number one, our Democrat colleagues exactly within the context of this amendment say: Look. Force people to sell the family farm when papa dies. Force people to sell their business because by them giving that money to the Government, the Government can spend it better. We don't agree. We think families can spend it better—not the Government.

The second argument is an argument we often hear from the Democrat side: We are talking about rich people. These are rich people.

I don't understand our Democrat colleagues. They profess to love capitalism but they hate capitalists. Many of them are rich but they hate rich people.

Let me try to boil this down to its basic point because I only have a couple of minutes. The only thing I was ever bequeathed in my life and ever will be was when my great-uncle Bill, my grandma's brother, left me a cardboard suitcase full of yellow sports clippings. If it had been baseball cards, I would be a rich man today.

Our agriculture commissioner in Texas owns a ranch that her family worked for four generations. When her dad died, she had to sell a third of that ranch to pay a death tax.

How does that help me? How did forcing her to sell off her family's ranch that had been in her family for four generations help me or help my family? How does tearing down one family build up another? We don't think it does.

That is what this issue comes down to. We believe when people work, build up a business, or build up a farm, or build up assets, and they pay taxes on it, that it ought then to belong to them and to their children, whether they are rich or whether they are not rich.

I think it is important to note that our colleagues, when they use all of those little examples, leave out one important thing. Over the next 10 years, the revenues collected on this tax are going to quadruple. Why? Because of all of those teacher retirement programs. Many college professors are going to retire with $1 million in their investment accounts. I thank God for it. If they die before they can spend it, under current law, their children are going to end up having to give part of that retirement program to the Government. I think it is absolutely wrong and outrageous.

We are down to making a choice. They say don't eliminate the death tax—just raise the cap a little. Why do we need to eliminate it? When you have a cancer, you don't cut out half of it. You cut out the whole thing.

Have we forgotten that when Bill Clinton was writing the 1993 tax bill he floated trial balloons about lowering the deduction from $600,000 to $200,000?

Does anyone doubt, if we don't repeal the death tax and if we ever have a Democrat President and a Democrat Congress again, that the first thing they are going to do is lower the deduction back down to the point where ordinary working families, farmers, ranchers, and small business people will pay this tax? I don't doubt it. I want to cut it out by the roots.

That is what this vote is about.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I request the Chair to notify me when I have 1 minute remaining of my 5 minutes.

This Bingaman amendment is a diversion from an important debate on the elimination of the death tax. If you can't change people's minds, sometimes you want to change the subject. That is what the Democrats seek to do by this list of amendments.

We had an education debate. We spent 8 days on the Elementary and Secondary Education Act. I am ready to return to that. I think we should. The majority leader has offered the opportunity to return to the ESEA debate just as we did on DOD authorization. Let's do it next week. But let's limit it to germane amendments.

The reason we are not on the Elementary and Secondary Education Act is because the Democrat side offered amendment after amendment that had nothing to do with education. I suggest if you want an education debate, let's do it on ESEA. Let's not do it on the elimination of the death tax.

The death tax is growing increasingly unpopular with the American people. It is for obvious reasons. They realize it is fundamentally wrong. They know double taxation when they see it. They know if they paid income tax, if they paid capital gains tax, and if they paid sales tax, that it is absolutely, fundamentally, inherently wrong to make death another taxable event.

That is what we are wanting to do with this legislation, eliminate it—not refine it, not tinker with it, not raise the cap but eliminate the death tax once and for all because it is wrong.

The American people are increasingly opposed to the death tax because they realize that it penalizes success; that the American way is to reward success. The death tax penalizes hard work. It penalizes savings, and it penalizes investment.

Senator BINGAMAN, the distinguished Senator from New Mexico, who I have the greatest respect for, says: Let's not eliminate it; let's just tinker with it, and take the savings—the so-called savings—and put it into education.

We have increased spending on education.

But it would seem to me the logic is rather ironic; by putting it on the elimination of the death tax and saying we want children to be better educated because we want them to use that better education so they can be successful, but don't be too successful because, if you are, we are going to punish you when you die for the success you have achieved.

The Bingaman amendment says to young Americans that it is OK to dream but don't dream too big because when you die we will punish you.

The turn of the century was a period appropriately dubbed ''the age of innocence.'' Millions of immigrants came to this country. They came so fast that we couldn't build ships enough to bring them into this country. They came with a dream. Some stayed in New York, others went to Detroit, Pittsburgh, and other industrial cities. But they came with one goal in mind: to succeed with no limits, no caps, no punishing economic thresholds, and, most importantly, no charade.

That is why they came here. They knew that life was too short and their families too precious to continue living under oppressive governments.

I ask my colleagues: Do you think we are fostering the same dream that existed 100 years ago by keeping the status quo?

My esteemed colleague from New York, Senator MOYNIHAN, said this morning that it is a tax that has served us well. That is the basis of this debate. If you believe that the death tax has served this country well, then you certainly don't want to eliminate it. If you believe, as I believe, as Senator GRAMM believes, and as I believe most Americans believe, that it is fundamentally un-American, then you want to eliminate it.

Senator GRAMM is absolutely right. It is a cancer. It is the cancer that you don't just trim back. It is a cancer that must be removed from the body politic and from our public policy.

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. BROWNBACK. Mr. President, I would like to reserve that last minute, if I might.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I yield myself 3 minutes and then the remainder of the time to the Senator from Massachusetts.

Let me respond to a couple of statements that were made.

First of all, this amendment was referred to as a diversion because it tries to bring into this debate the discussion about education and what we ought to be investing in education. Hopefully, we can persuade the Senate to take some of the revenue that the Republican estate tax repeal proposal contemplates eliminating and put it into education.

I do not see it as a diversion at all. I would love to have us back on the Elementary and Secondary Education Act. We had that act before us. We offered some amendments. Those amendments were Democrat amendments. One was for class size reduction. We talked about teacher quality. We had an amendment on that. It was pending, in fact, at the time the bill was taken down by the majority leader.

I hope very much that next week we can go back to ESEA and have more debate on that. But regardless of whether we are able to do that, I think it is important that we consider and adopt this amendment as a statement about what we think the priorities of this Nation are.

I do not shy from discussing the estate tax repeal proposal that is before us. In my State, frankly, the Democratic alternative, in my view, is a very enlightened and generous proposal which would substantially reduce the estate tax.

It would reduce to fewer than 100 estate tax returns that would be filed in my State each year. That is the estimate I have received. It is something I think I can be proud to cosponsor and support.

I do not see why we have to go the full route the Republicans are proposing, as the Senator from Massachusetts said, and eliminate this tax entirely for those 2,400 wealthiest Americans. I do not think we are visiting any hardship upon them by maintaining in place some estate tax.

Let me get back to the subject of my amendment, which is education. People of this country support more investment in teacher quality, more investment in reducing the class sizes, more investment in eliminating or reducing the number of students who drop out of our schools before they graduate, more investment in accountability of our schools so we can be sure the schools are performing to standard, and more investment in school construction. There are enormous needs in all these areas. This is an opportunity to address those enormous needs.

I urge my colleagues to support this amendment. I think it would be a major statement of our priorities. We would not, in fact, leave one child behind if we do this.

I yield the remainder of my time to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as I understand, I have 8 minutes; is that correct?

The PRESIDING OFFICER. The Senator has 3 minutes 30 seconds.

Mr. KENNEDY. Mr. President, I yield myself 2½ minutes.

As the Joint Tax Committee pointed out, as printed in the New York Times today, according to the data, 95 percent of the roughly 6,000 farmers who paid estate taxes that year would have been exempted under the terms of the Democratic plan, as would 88 percent of the roughly 10,000 small business owners who paid the tax. That responds to my good friends from Texas and Arkansas.

I understand they want to protect any tax loophole that is in there. We have a billionaire tax loophole that has permitted billionaires to leave the country, renounce their citizenship, and pay no tax at all. They have defended that in the past. The fact is, the wealthiest individuals are still going to get $150 billion in tax breaks.

All we are saying is that it is more valuable to invest in the education of the children of this country than to give the 400 richest families in this country $250 billion. That is what this amendment does. The 400 richest families, according to Forbes magazine, get $250 billion; 2,400 families get $300 billion. We are saying, $150 billion for them.

We need to get to what is essential to our national interest, and that is children. It is a matter of priorities. They want to protect the billionaires' tax loophole; they want to protect the 400 wealthiest families in this country. We want to be debating the minimum wage this afternoon. We want to debate education and education funding.

This chart shows where the Republican Party has been in the last 7 years on education. I ask unanimous consent to have it printed in the RECORD.

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

REPUBLICAN HISTORY OF CUTTING EDUCATION FUNDING IN APPROPRIATIONS BILLS

Fiscal year 1995 rescission (House bill): −$1.7 billion (below enacted FY 1995)

Fiscal year 1996 (House bill): −$3.9 billion (below FY 1995)

Fiscal year 1997 (Senate bill): −$3.1 billion (below President's request)

Fiscal year 1998 (House and Senate bill): −$200 million (below President's request)

Fiscal year 1999 (House bill): −$2 billion (below President's request)

Fiscal year 2000 (House bill): −$2.8 billion (below President's request)

Fiscal year 2001 (House bill): −$2.9 billion (below President's request)

Mr. KENNEDY. It shows they have effectively cut education every single year in either the House appropriations

committee or in the Senate. The only one who has saved the education budget is President Clinton. Do you hear that? President Clinton. Respond to these facts.

We ought to be debating the elementary and secondary education bill this afternoon. That is what Senator BINGAMAN wants to do. That is what I want to do. But, no; Republicans want to debate a $250 billion cut for 400 of the wealthiest families. That is what we are spending time doing.

These are the wrong priorities for America. If we want to get back to the right priorities that are in the BINGAMAN amendment, Senators will vote with him when the time comes.

The PRESIDING OFFICER. There are 30 seconds remaining.

The Senator from Arkansas.

Mr. HUTCHINSON. It seems ironic to me when we had the education bill on the floor of the Senate for 8 days, the amendments offered by the other side of the aisle were on health care and campaign finance reform. They had nothing to do with education.

Now we have elimination of the estate tax bill on the floor of the Senate and they want to talk about education. The majority leader has done everything in his power to give an opportunity for legitimate education debate and to pass reauthorizing of ESEA. This is a diversion, and all the protests will not change that fact.

The death tax has been repealed in 20 States since 1980. I say to Senator KENNEDY, I believe the Senate ought to do what his home State of Massachusetts did; we ought to abolish it. We ought to eliminate it as Oregon, as Vermont, as Canada, as Israel, as Australia. We should abolish it—not tinker with it, not play with it, not raise the cap. We need to eliminate it.

Senator KENNEDY called it the millionaire tax loophole. That is why the Black Chamber of Commerce has endorsed this bill, the Hispanic Chamber of Commerce, the National Indian Association, and the Pan American Chamber of Commerce have endorsed it. We need to abolish the death tax.

Mr. BINGAMAN. Mr. President, this amendment is focused on education. It is an effort to put our priorities straight, to get our priorities in line with the priorities of the American people, to get back to talking about how do we improve the lot of the average American, instead of talking about the lot of the 400 wealthiest families in the country.

I believe this will put funds where they are needed the most, where the American people want to see them spent. I urge my colleagues to support this amendment.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. HUTCHINSON. The pending amendment offered by the Senator from New Mexico, Mr. BINGAMAN, will increase the spending by $11 billion. This additional spending would cause the underlying bill to exceed the finance committee section 302(b) allocation. Therefore, I raise a point of order pursuant to section 302(f) of the Budget Act.

Mr. BINGAMAN. Pursuant to section 904 of the Budget Act, I move to waive the applicable sections of the act for consideration of the pending amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 3829

The PRESIDING OFFICER. Under the previous order, the Senator from Delaware is recognized to offer an amendment.

Mr. ROTH. Mr. President, I send an amendment to the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself, Mr. BREAUX, Mr. NICKLES, Mr. ROBB, Mr. MURKOWSKI, and Ms. COLLINS, proposes an amendment numbered 3829.

Mr. ROTH. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communication services)

At the end, add the following:

TITLE VI—REPEAL OF EXCISE TAX ON TELEPHONE AND OTHER COMMUNICATIONS SERVICES

SEC. 601. REPEAL OF EXCISE TAX ON TELEPHONE AND OTHER COMMUNICATIONS SERVICES.

(a) IN GENERAL.—Chapter 33 (relating to facilities and services) is amended by striking subchapter B.

(b) CONFORMING AMENDMENTS.—

(1) Section 4293 is amended by striking ''chapter 32 (other than the taxes imposed by sections 4064 and 4121) and subchapter B of chapter 33,'' and inserting ''and chapter 32 (other than the taxes imposed by sections 4064 and 4121),''.

(2)(A) Paragraph (1) of section 6302(e) is amended by striking ''section 4251 or''.

(B) Paragraph (2) of section 6302(e) is amended by striking ''imposed by—'' and all that follows through ''with respect to'' and inserting ''imposed by section 4261 or 4271 with respect to''.

(C) The subsection heading for section 6302(e) is amended by striking ''COMMUNICATIONS SERVICES AND''.

(3) Section 6415 is amended by striking ''4251, 4261, or 4271'' each place it appears and inserting ''4261 or 4271''.

(4) Paragraph (2) of section 7871(a) is amended by inserting ''or'' at the end of subparagraph (B), by striking subparagraph (C), and by redesignating subparagraph (D) as subparagraph (C).

(5) The table of subchapters for chapter 33 is amended by striking the item relating to subchapter B.

(c) STUDY REGARDING CONTINUING ECONOMIC BENEFIT OF REPEAL.—

(1) STUDY.—The Comptroller General of the United States, after consultation with the Chairman of the Federal Communications Commission, shall study and identify—

(A) the extent to which the benefits of the repeal of the excise tax on telephone and other communication services under subsection (a) are passed through to individual and business consumers, and

(B) any actions taken by communication service providers or others that diminish such benefits, including increases in any regulated or unregulated communication service provider charges or increases in other Federal or State fees or taxes related to such service occurring since the date of such repeal.

(2) REPORT.—By not later than September 1, 2001, the Comptroller General of the United States shall submit a report regarding the study described in paragraph (1) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid pursuant to bills first rendered after August 31, 2000.

The PRESIDING OFFICER. The Senator is reminded there are now 20 minutes equally, divided, 10 minutes on a side.

Mr. ROTH. Mr. President, the amendment I offer today would repeal the telephone excise tax. My amendment is the same as the bill that was recently approved by the Finance Committee on a bipartisan basis.

The phone tax repeal bill that Senator BREAUX and I introduced earlier this year now has 43 cosponsors—members on both sides of the aisle. The House of Representatives has already voted to repeal the tax by a vote of 420 to 2.

Mr. President, all of us who support repeal have recognized that the telephone excise tax is outdated, unfair, and complex for both consumers to understand and for the collectors to administer. It cannot be justified on any tax policy grounds.

The federal government has had the American consumer on ''hold'' for too long when it comes to this tax. The telephone excise tax has been around for over 102 years. In fact, it was first imposed in 1898—just 22 years after the telephone itself was invented.

This tax on talking—as it is known—currently stands at 3 percent. Today, about 94 percent of all American families have telephone service. That means that virtually every family in the United States must tack an additional 3 percent on their monthly phone bill. The Federal tax applies to local phone service; it applies to long distance service; and it even applies in some cases to the extra amounts paid for State and local taxes. It is estimated that this tax costs the American public more than $5 billion per year.

The telephone excise tax is a classic story of a tax that has been severed

from its original justifications, but lives on solely to collect money.

This tax is a pure money grab by the Federal Government—it does not pass any of the traditional criteria used for evaluating tax policy. First, this phone tax is outmoded. Once upon a time, it could have been argued that telephone service was a luxury item and that only the rich would be affected. As we all know, there is nothing further from the truth today.

Second, the Federal phone tax is unfair. Because this tax is a flat 3 percent, it applies disproportionately to low and middle income people. For example, studies show that an American family making less than $50,000 per year spends at least 2 percent of its income on telephone service. These families also pay almost 60 percent of the total communications excise tax in the U.S. Families with incomes of under $20,000 earn less than 9 percent of the total income in the U.S.; yet they shoulder almost one-quarter of the total communications tax burden. A family earning less than $10,000 per year spends over 9 percent of its income on telephone service. Imposing a tax on those families for a service that is a necessity in a modern society is simply not fair.

Third, the Federal phone tax is complex. Once upon a time, phone service was simple—there was one company who provided it. It was an easy tax to administer. Now, however, phone service is intertwined with data services and Internet access, and it brings about a whole new set of complexities. For instance, a common way to provide high speed Internet access is through a digital subscriber line. This DSL line allows a user to have simultaneous access to the Internet and to telephone communications. How should it be taxed? Should the tax be apportioned? Should the whole line be tax free? And what will we do when cable, wireless, and satellite companies provide voice and data communications over the same system? The burdensome complexity of today will only become more difficult tomorrow.

As these questions are answered, we run the risk of distorting the market by favoring certain technologies. There are already numerous exceptions and carve-outs to the phone tax. For instance, private communications services are exempt from the tax. That allows large, sophisticated companies to establish communications networks and avoid paying any Federal phone tax. It goes without saying that American families do not have that same option.

With new technology, we also may exacerbate the inequities of the tax and contribute to the digital divide. For example, consider two families that decide it's time to connect their homes to the Internet. The first family installs another phone line for regular Internet access. The second family decides to buy a more expensive, dedicated high speed line for Internet access. The first family definitely gets hit with the phone tax, while the second family may end up paying no tax at all on their connection. I can't see any policy rationale for that result.

It is time to end the Federal phone tax. For too long while America has been listening to a dial tone, Washington has been hearing a dollar tone. This tax is outmoded. It has been here since Alexander Graham Bell himself was alive. It is unfair. We are today taxing a poor family with a tax that was originally meant for a luxury item. It is complex. Only a communications engineer can today understand the myriad taxes levied on a common phone bill and only the Federal Government has the wherewithal to keep track of who and what will be taxed. It is time we hung up the phone tax once and for all.

Ninety-three million households and 23 million business service companies are waiting for us to act. I urge my colleagues to join me in supporting its repeal.

I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from Nevada.

Mr. REID. Mr. President, the Senator from Florida just arrived on the floor. He wishes to speak on this bill. When he is ready, I will yield him the time.

Mr. ROTH. Mr. President, I ask unanimous consent that Senator BAUCUS of Montana be added as a cosponsor of the amendment.

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

Mr. ROTH. I make a point of order a quorum is not present.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. L. CHAFEE). Without objection, it is so ordered.

AMENDMENT NO. 3824

Mr. GRAHAM. Mr. President, I understand we are now debating the amendment as offered by Senator ROTH relative to repeal of the telephone tax. In the absence of anyone wishing to speak further on that issue, I want to offer the next amendment which relates to prescription medication.

I rise today for myself and Senators KENNEDY, ROBB, BRYAN, LINCOLN, ROCKEFELLER, DASCHLE, WELLSTONE, JOHN KERRY, and DORGAN to offer an amendment which will couple the estate tax, as presented by Senator DASCHLE, with an amendment to the budget resolution which dedicates an additional $40 billion of the new surplus dollars towards a Medicare prescription drug benefit.

To put this in context, in the budget resolution, $40 billion with conditions was inserted for purposes of a Medicare prescription drug benefit. I believe that no one will argue with the description of that $40 billion as being an arbitrary number; that is, it was not a number which was derived by some analysis of what was going to be required to fund an effective prescription medication benefit for the first 5 years of its availability.

I am here with a sense of disappointment. I am disappointed because I do not think the issue of the prominence that is being given to the estate tax repeal should be what we are debating on July 13 of the year 2000. I do not believe the issue of estate tax repeal, whatever absolute value one places upon it, is among the highest priorities of the American people and deserves the kind of time and attention it is receiving today.

I am also disappointed that this discussion of the estate tax has, frankly, become a charade. What is happening is that, on each side of the aisle, we are hurling a grenade at the other side on the issue we think is the most popular or politically difficult to vote upon, such as the issue of repealing the telephone tax. We ought to be discussing what is a first priority to Americans, and I happen to believe that in that first tier is the issue of modernization of the Medicare program which just yesterday celebrated its 35th birthday. Unlike a human being who, after 35 years of life, would have largely grown and matured into adulthood, the Medicare program at 35 years of life is still very much as it was on the day it was born in 1965.

One of the areas in which it is still as it was when it was born in 1965 is the absence of a prescription medication benefit. Virtually every program today which finances the health care of Americans, from the Medicaid program, which is available to indigent Americans, to private health care financing programs, includes a prescription medication benefit. Medicare stands out as the exception to that rule.

What is especially ironic to that exception is that some significant things have happened in the 35 years we have had the Medicare program. One of those things is that the characteristics of the American Medicare-eligible population have changed. When Social Security was established in the 1930s, the average American would only live a few years, generally 7 years or fewer, after they had reached the age of 65. Today the average American male will live 15 years after he reaches the age of 65, and the average American female will live to be 85. Those numbers will dramatically increase during the 21st century as new medical breakthroughs extend the age of life.

The significance of that aging process on the Medicare program is that it makes services through Medicare which were irrelevant or unnecessary when the program commenced now a center part of American health care, programs such as prevention of illness, those things we now know how to do to intervene and to avoid a condition degenerating into a fatality.

It also fails to adequately cover chronic condition management, which is a very typical circumstance for persons who live into their eighties or nineties. Both of those, prevention and chronic condition management, almost always involve prescription medication as an important part of the treatment regime, and yet our Medicare program fails to provide a prescription medication benefit.

I believe if we are going to have a prescription medication benefit—and it is critical that we do so—that we also be realistic. Part of that realism is a recognition that this is not going to be an inexpensive additional benefit if it is to be meaningful.

As an example, the typical private sector health care plan today is spending between 15 and 20 percent of its total outlays on prescription drugs. For those programs that focus on persons over the age of 65, the percentage for prescription drugs is in excess of 25 percent of all expenditures. Yet with the structure of the program that was adopted in the budget resolution—that is, $40 billion for the first 5 years of the program—this would result in a prescription medication benefit that would represent less than 10 percent of the cost of what we are spending on prescription medication.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAHAM. Therefore, I urge we adopt this amendment which will allow us to have a more reasonable allocation of what has become a gush of new surplus funds to provide a prescription medication benefit that will be affordable, adequate, humane, and medically appropriate for America's older citizens.

Mr. President, I now send the amendment to the desk.

The PRESIDING OFFICER. If the Senator will withhold, the Senator from Delaware still has time remaining on his amendment.

Mr. REID. Mr. President, the Senator from Delaware told me he was not going to use the time. In the meantime, the Senator from Montana has shown up. There is about a minute prior to the amendment being offered. The Senator from Montana is going to speak.

AMENDMENT NO. 3829

Mr. BURNS. Mr. President, I rise today to express my support for this amendment to repeal federal excise taxes on telephone services.

This tax was first introduced as a ''temporary'' luxury tax in 1898 to fund the Spanish-American War. However, over 100 years later this tax remains in effect. The definition of temporary should not span an entire century.

This tax is imposed on telephone and other services at a rate of 3 percent. Furthermore, these taxes are not applied to a specific purpose that enhances telephone service in our nation—rather these taxes are directed to the general revenue account. In other words, there is no reason we should not repeal this tax. Not doing so means only one thing—Montanans end up paying one more tax to encourage Government spending.

As I said a moment ago, this tax was enacted to fund the Spanish-American War. Considering that war was ended a mere six months after it began, I feel it's time to repeal this tax. Instead, Montana consumers continue to pay this tax on all their telephone services—local, long distance, and wireless.

It is time to eliminate this excise tax. At the time of enactment, this tax was considered a luxury tax on the few who owned telephones in 1898—this tax has now become an unnecessary burden on virtually every American taxpayer. Repealing this excise tax on communications services will save consumers over $5 billion annually.

Furthermore, this tax is regressive in nature. It disproportionately hurts the poor, particularly those households on either fixed or limited incomes. Even the U.S. Treasury Department has concluded in a 1987 study that the tax ''causes economic distortions and inequities among households'' and ''there is no policy rationale for retaining the communications excise tax.''

Rural customers in States like Montana are also disproportionately impacted. This tax is even more of a burden on rural customers due to the fact that they are forced to make more long distance calling comparative to urban customers.

This tax also impacts Internet service. The leading reason why households with incomes under $25,000 do not have home Internet access is cost. If consumers are very price sensitive, the government should not create disincentives to accessing the Internet. Eliminating this burdensome tax can help to narrow the digital divide.

This is a tax on talking—a tax on communicating—a tax on our Nation's economy. I encourage my colleagues to join me in support of this amendment to repeal this unnecessary and burdensome general revenue tax.

I yield the floor and reserve the remainder of our time.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. REID. Mr. President, we still have time. We have to yield back all our time—it is only a few seconds—and then the Senator can send his amendment to the desk.

Mr. ROTH. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NO. 3824

Mr. GRAHAM. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 3824.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide additional budget resources for a medicare prescription drug benefit program)

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died

after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—ADDTIONAL BUDGET RESOURCES FOR A MEDICARE PRESCRIPTION DRUG BENEFIT PROGRAM

SEC. 201. ADDTIONAL BUDGET RESOURCES FOR A MEDICARE PRESCRIPTION DRUG BENEFIT PROGRAM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Beneficiaries under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) are the only group of insured Americans without prescription drug coverage.

(2) At any point in time, approximately 13,000,000 medicare beneficiaries are without prescription drug coverage.

(3) Over the course of a year, nearly 20,000,000 medicare beneficiaries are without prescription drug coverage for all or part of the year.

(4) The options available to medicare beneficiaries for obtaining prescription drug coverage are declining since—

(A) the number of employers providing employer-sponsored retiree coverage is declining at a dramatic rate;

(B) Medicare+Choice plans that might otherwise provide prescription drug coverage are pulling out of counties throughout the Nation; and

(C) medicare supplemental policies (medigap policies) that offer prescription drug coverage are so prohibitively expensive that only 8 percent of medicare beneficiaries have the means to purchase such policies.

(5) An elderly individual without prescription drug coverage living on $12,525 a year (150 percent of the Federal poverty line), who has diabetes, hypertension, and high cholesterol, pays more than 18.3 percent of their total income on the prescription drugs most commonly prescribed to treat their medical conditions.

(6) Medicare beneficiaries should never have to make the choice between having a roof over their head, having food in their mouth, or having necessary prescription drugs.

(7) Congress must provide medicare beneficiaries with a meaningful medicare prescription drug benefit that—

(A) is universal and affordable;

(B) guarantees stable coverage for medicare beneficiaries receiving benefits through the original fee-for-service program or through enrollment in a Medicare+Choice plan; and

(C) provides real low-income and stop-loss protections.

(8) Meaningful prescription drug coverage includes stop-loss protection above $4,000 of out-of-pocket expenses for prescription drugs.

(9) In March 2000, the Congressional Budget Office estimated the on-budget surplus for the 5-year period of fiscal year 2001 through fiscal year 2005 to be $148,000,000,000, assuming that discretionary spending was allowed to increase with inflation.

(10) Relying on the March 2000 estimate of the Congressional Budget Office, on April 12, 2000, Congress passed the concurrent resolution on the budget for fiscal year 2001 which allocated $40,000,000,000 of the estimated on-budget surplus for the 5-year period described in paragraph (9) to provide a prescription drug benefit for medicare beneficiaries.

(11) Forty billion dollars over 5 years cannot ensure access to a meaningful medicare prescription drug benefit that—

(A) is universal and affordable;

(B) guarantees stable coverage for medicare beneficiaries receiving benefits through the original fee-for-service program or through enrollment in a Medicare+Choice plan; and

(C) provides real low-income and stop-loss protections.

(12) Congress should not be bound to an arbitrarily low and inadequate allocation for providing a medicare prescription drug benefit when the estimated on-budget surplus for the 5-year period described in paragraph (9) has increased dramatically since March 2000.

(13) The Office of Management and Budget recently has revised its estimates for the on-budget surplus for the 5-year period described in paragraph (9) and now estimates that the on-budget surplus will be $360,000,000,000 for such period.

(14) The Congressional Budget Office will issue its revised budget estimates in the next few days and those estimates are widely expected to reflect a significant increase in the on-budget surplus for the 5-year period described in paragraph (9) as compared to the on-budget surplus that was estimated for such period in March 2000.

(b) 2001 BUDGET RESOLUTION AMENDMENT.—Section 213(b) of H. Con. Res. 290 (106th Congress) is amended to read as follows:

''(b) ADJUSTMENTS.—The chairman of the Committee on the Budget of the House or Senate, as applicable—

''(1) shall revise committee allocations and other appropriate budgetary levels and limits to accommodate legislation described in section 215(a) which improves access to prescription drugs for Medicare beneficiaries in an additional amount of $40,000,000,000 or the difference between the on-budget surpluses in the reports referred to in subsection (a), whichever is less; and

''(2) may, after the adjustment in paragraph (1), make the following adjustments in an amount not to exceed the difference between the on-budget surpluses in the reports referred to in subsection (a) minus the adjustment made pursuant to paragraph (1):

''(A) Reduce the on-budget revenue aggregate by that amount for such fiscal year.

''(B) Adjust the instruction in section 103 or 104 to—

''(i) increase the reduction in revenues by that amount for fiscal year 2001;

''(ii) increase the reduction in revenues by the sum of the amounts for the period of fiscal years 2001 through 2005; and

''(iii) in the House only, increase the amount of debt reduction by that amount for fiscal year 2001.

''(C) Adjust such other levels in this resolution, as appropriate and the Senate pay-as-you-go scorecard.''.

Mr. GRAHAM. Mr. President, what we are about is to authorize that $40 billion of the new surplus which has come into the Federal Government and is projected to come over the next 5 years to be dedicated to the prescription medication benefit. This would allow for a total of $80 billion to be committed to this program.

The result of that will be to bring the scale of the prescription medication benefit, as a totality of the Medicare program, somewhat into line with what other health care programs are spending on prescription medications today.

The reality is that prescription medications have been the fastest growing sector of American health care, increasing at a rate of 15 to 20 percent a year. The fact is, with the new breakthroughs in prescription medication, there is likely to be further escalation of prescription medication costs.

We have incorporated in the bill that has been introduced, and which would be supported by this allocation of additional funds, that annual increase in the expected rate of prescription medication costs. It is our hope that through some of the procedures in this legislation—such as the encouragement for the use of generic drugs, the use of an intermediary called a pharmacy benefits manager, and multiple managers so that there will be competition between the pharmaceutical company and the Medicare beneficiary who is using those drugs—there will be efforts to restrain the enormous explosion in cost of prescription medication.

But I would have to honestly say to my colleagues that there is every indication the prescription medication will continue to be a rapidly growing source of medical expenditures.

I take this occasion to commend Senator ROTH, the chairman of the Finance Committee, for the legislation which he has, this week, outlined to the committee and to the American people. I think it is a very constructive contribution toward the goal of arriving at a prescription medication benefit that will serve the almost 40 million Americans who depend upon Medicare for their health care financing.

I suggest that if we had a more realistic allocation for the purpose of prescription medication, the proposal that Senator ROTH made would be even more advantageous to Medicare beneficiaries. Thus, I hope this amendment will be adopted and will give us the basis for a continuing dialog and discussion, leading to a prescription medication benefit that will serve America's needs.

One of the things that Senator ROTH has done in his proposal, which I think is especially significant, is to recognize that prescription drugs are a central part of a modern health care system.

Some other proposals, particularly those emanating from the other Chamber, have treated prescription drugs as if they were the red-headed third cousin at the family picnic —something that is still outside the main circle of appropriate health care.

The fact is, in modern medicine, prescription drugs are a centerpiece, particularly as we make what I think is the most significant reform in the 35-year history of Medicare, and that is to move it from a program which was exclusively acute care—one that would provide extensive and very effective medical services if you had a dramatic incidence, such as a disease or an accident, but had almost no orientation towards trying to keep you healthy through effective prevention measures —to me it is that movement from essentially a sickness plan to a wellness plan that is the most fundamental reform which Medicare must make now in its 35th year. And key to being able to do that is the inclusion of prescription medication.

Is this $40 billion that we are discussing an unrealistic number? Well, let me just give you these numbers. When we started this budget year, the assumption was that we would be dealing with a non-Social Security surplus, over the next 5 years, of $95 billion. We allocated $40 billion of that $95 billion to prescription drugs, or roughly 42 percent of the total non-Social Security surplus, for 5 years, was committed to this single purpose of financing a prescription drug benefit.

It is now estimated that when the next non-Social Security surplus, for 5 years, is calculated, it will be more in the range of $350 to $400 billion. We have had approximately a quadrupling of the non-Social Security surplus as a result of the strong economy from which we all so benefit.

Is it not appropriate, out of that additional $300 billion, to take another $40 billion and use it so that we can finance a prescription medication benefit at approximately the same level that private sector health care plans are financing prescription medication in terms of a percentage of total health care expenditures?

We are expending, this year, about $280 billion on Medicare. This benefit will add about $25 billion a year—half of which is the Federal component, half of which is the beneficiary's monthly payment. So we now will have a program with slightly over $300 billion. If we stay with that $25 billion number, we will have less than 10 percent of the total Medicare program to be in prescription drugs, while private health insurance for persons over 65 are spending 25 percent or more.

By adding this additional $40 billion, we will double that percentage to approximately 18 to 19 percent of total Medicare expenditures, which I think is the range that is going to be required in order to finance a reasonable, affordable, medically appropriate prescription medication benefit for America's older citizens.

Mr. President, I offer this amendment and urge its adoption.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBB. 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. ROBB. Mr. President, I will speak for a minute—the time remaining allocated to the Senator from Florida—in support of his amendment.

The resources that were allocated to the Budget Committee were simply insufficient to deal with the problem of providing adequate prescription drug coverage under Medicare. This particular amendment will make it possible to provide adequate, affordable, available prescription drug coverage to our seniors. We cannot do it under the constraints of the current amendment.

The chairman of the Finance Committee has offered a good faith effort to try to resolve that problem but is constrained by taking away from Part A and Part B, causing beneficiaries to have to make a choice. They should not have to make that choice. They should not have to make the choice between food and medicine.

This will give us an opportunity to solve a problem that is long overdue. With the robust condition of the economy, we finally have an opportunity to do it. I urge my colleagues to vote in support of the amendment offered by the Senator from Florida.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware has 7 minutes 3 seconds remaining.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk 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. BURNS. Mr. President, I urge my colleagues on both sides of the aisle to support this amendment that would provide tax relief for farmers, ranchers, and other small business owners.

This amendment contains several provisions that are very popular among the Nation's farming and small business communities. Among those provisions is a bill I introduced in January along with over 40 of my Senate colleagues on both sides of the aisle. This bill, S. 2005, the Installment Tax Correction Act of 2000, would allow small businesses to pay the capital gains on the sale of their business over the term of the sale rather than in one lump sum at the time of the sale.

Without this provision, the sales of small businesses will be disrupted or scrapped altogether. Many sales of small businesses use the installment sales method. This amendment will allow small business owners the opportunity to defer over the period of payments the capital gains tax on the sale of their business. We're not talking about major corporations—rather, we are talking about small businesses that support a community.

This amendment will ensure that action is taken on this issue this year and also ensure that the present or future sales of small businesses are not adversely affected by this legislation.

This amendment also contains several other tax relief measures for our Nation's farmers and ranchers. The amendment will not only create savings for farmers but also encourage savings for farmers to be used for future.

The agricultural community is in a crisis. These are the men and women that produce our Nation's food products. It is important that we do all we can to help relieve these families of the burdens based on the unique fluctuations in agriculture. While a farmer may have a banner year, his next may be devastated by hail, disease or price.

Mr. President, I can tell you that prices for agricultural products have hit rock bottom and there is no sign of improvement.

I encourage my colleagues to support the small business owner by supporting this amendment.

Mr. ROTH. I yield the remainder of my time to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am going to make a point of order very shortly. I think the Parliamentarian will agree that it will be granted unless a motion is made. They are going to have to have 60 votes to waive it. It is good on the part of the Senate to have such rules.

To give a little history, in the Budget Committee we were talking about $20 billion for Medicare over the next 5 years. My recollection is that the distinguished Senator from New Jersey, Mr. LAUTENBERG, offered an amendment and they took it all the way to $35 billion. A little while later in the process, with Senator WYDEN helping, a bipartisan approach was taken in the committee and we said $40 billion—$20 billion if you don't get any reform and $40 billion if you get some reform—in the first 5 years.

Everybody should know that the President asked for $31 billion. The

budget resolution provides $20 billion plus $20 billion, which is $40 billion. And then, everybody should know that the President's proposal doesn't take effect for 3 years, until 2003. All of a sudden, when the year is about over, we have somebody proposing not to spend the $35 billion that Senator LAUTENBERG wanted, not the $40 billion that the bipartisan Senators did in a budget resolution, which everybody thought was a very wonderful idea—in fact, Senator SNOWE and Senator WYDEN led that in the committee, as I recall; is that correct, I ask Senator NICKLES?

Mr. NICKLES. Yes.

Mr. DOMENICI. It was their proposal. Now they say forget about all that; they want $80 billion. We want to rewrite a budget resolution in July of the year, instead of months ago when we were writing budget resolutions. All of a sudden, they want $80 billion set aside for Medicare and prescription drugs.

If ever a point of order was not only correct under the law, but, substantively speaking, right, so that we don't spend the whole Medicare fund and end up with more burdens on the fund than we can pay for, and have some prescription drug program that starts 3 years from now, it is now.

I feel very comfortable in saying to the Senate that you ought to stick with the Budget Act and the budget process. In the end, the seniors will be glad you did because their children will be protected. There will be a Medicare program around for an awful long time, and we will reform it in a way that can be sustained, that we can afford, and of which everybody will be proud.

If I have any time before I make the point of order, I yield it to Senator NICKLES.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I compliment the chairman of the Budget Committee. He is exactly right. The President's original proposal requested $15 billion. Then he came back and said $31 billion. The Budget Committee started at $20 billion and ended up at $40 billion. Now people are saying we need $80 billion. We don't know what the program is. We have no idea how much it costs. We have no idea if it is duplicating coverage already in the private sector. It makes no sense where a program is not going to be effective for 3 years. That may be good politics, but it is fiscally irresponsible. I join my colleague in his point of order.

The PRESIDING OFFICER. The time has expired.

Mr. DOMENICI. Mr. President, I make a point of order that this violates section 306 of the Budget Act because it tries to rewrite the budget resolution on a tax bill.

Mr. GRAHAM. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable section of the act for the consideration of the pending amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays are ordered, and the vote will be placed in the sequence.

Mr. GRAHAM. Mr. President, was the Senator from New Mexico speaking on the opposition's time on our amendment?

Mr. DOMENICI. I assume so.

The PRESIDING OFFICER. All time on the amendment has expired.

The Senator from Iowa is recognized.

AMENDMENT NO. 3834

(Purpose: To provide tax relief for farmers, and for other purposes)

Mr. GRASSLEY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY], for himself, Mr. CRAIG, Mr. BURNS, Mr. LUGAR, Mr. BROWNBACK, and Mr. GRAMS, proposes an amendment numbered 3834.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. GRASSLEY. Mr. President, I yield myself 6 minutes. I want to reserve 4 minutes for other people who want to speak on my amendment.

Mr. President, the amendment I'm offering on behalf of myself and others will assist millions of farmers across the Nation. In the midst of one of the worst farming crises we've seen, in addition to the estate tax repeal, it seems to me we ought to be doing everything we can to help farmers survive.

The package of measures included in this tax relief amendment include the following:

FARRM accounts. These farmer savings accounts would allow farmers to contribute up to 20 percent of their income in an account, and deduct it in the same year. FARRM accounts would be a very important ''risk management'' tool that will help farmers put away money when there's actual income, so that, in the really bad times, there will be a safety net.

This measure has strong bipartisan support and was actually sent to the President last year as part of the Taxpayer Relief Act that the President vetoed.

Reversing the unfair IRS decisions on self-employment tax for farmers. Farmers who participate in the Conservation Reserve Program are unnecessarily struggling during tax season because of a recent case pushed by the IRS. The latest 6th Circuit Court's ruling treats CRP as farm income subject to the additional self employment tax rate of 15 percent. Senator BROWNBACK has taken the lead on fixing this problem. This unfair tax not only ignores the intent of Congress in creating the CRP, it discourages farmers from using environmentally pro-active measures. At a time when farmers are struggling to regain their footing economically and do the right thing environmentally, it's important that Congress support them by upholding its promise on CRP.

In addition, this amendment includes an effort I've been leading to reverse an IRS attempt to apply the self-employment tax on farmer's cash rental income.

A tax deduction for farmers to donate to food banks. Senator LUGAR has led the effort to expand the current program where companies can donate to food banks, so that farmers can donate surplus food directly to needy food banks. This will be a win for the farmers and a big win for people who depend on food bank assistance.

Income averaging for farmers who are caught in the alternative minimum tax. This was also part of last year's vetoed bill. When we passed income averaging for farmers a few years ago, we neglected to take into account the problem of running into the alternative minimum tax, which many farmers are facing now. Our amendment will fix this growing problem.

Expansion of first-time farmer loans, or Aggie bonds. Our amendment expands opportunities for beginning farmers who are in need of low interest rate loans for capital purchases of farmland and equipment. Current law permits state authorities to issue tax exempt bonds and to loan the proceeds from the sale of the bonds to beginning farmers and ranchers to finance the cost of acquring land, buildings and equipment used in a farm or ranch operation.

Unfortunately, Aggie bonds are subjected to a volume cap and must compete with big industrial projects for bond allocation. Aggie bonds share few similarities to industrial revenue bonds and should not be subjected to the volume cap established for IRBs. Insufficient allocation of funding due to the volume cap limits the effectiveness of this program. We can't stand by and allow the next generation of farmers to lose an opportunity to participate in farming because of competition with industry for reduced interest loan rates.

Repeal of the installment method for certain small businesses. Our amendment would repeal a law that was passed at the end of last year that's had a very negative effect on the small business community. Repeal of this draconian installment sales method is one of small business's biggest priorities.

Farmer co-op initiatives. Recently the IRS determined that some cooperatives should be exposed to a regular corporate tax due to the fact that they are using organic value-added practices rather than manufactured value-added practices. This is unfair, and needs to be fixed.

In addition, we want to allow small cooperative producers of ethanol to be able to receive the same tax benefits as large companies. Our amendment addresses these problems.

So, Mr. President, our amendment would do more for the American farmer regarding taxes than any measure in recent memory. I know others want to speak, so I would urge Members to strongly support this measure. It is an amendment that should have unanimous support.

I yield to the Senator from Minnesota 1⅕ minutes.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Mr. President, current law provides for an income tax credit of 10 cents per gallon for up to 15 million gallons of annual ethanol production by a small ethanol producer. A small ethanol producer is one defined as having a production capacity of less than 30 million gallons per year. The credit was enacted as part of the Omnibus Budget Reconciliation Act of 1990 and championed by our former colleague, Senator Bob Dole. Unfortunately, the credit was enacted at a time when the growth and shape of the ethanol industry was still difficult to predict.

This situation has led to an unfortunate situation in my state and in other areas where farmer-owned cooperatives have been unable to access the credit due to the way in which the original legislation was drafted. The original legislation certainly envisioned these small, farmer-owned cooperatives as being eligible for the tax credit, but the realities of the tax code have made it impossible for them to do so.

There are currently 22 cooperative ethanol plants in the United States. Twelve of them are located in Minnesota. Eleven of these Minnesota cooperatives involve over 5,000 farmers and their families. Minnesota cooperatives are able to produce roughly 189 million gallons of ethanol per year.

My language would simply correct the provision of the law that shuts out these farmer-owned cooperatives from the complete benefit of the small ethanol producer tax credit.

I want to again stress that this language is consistent with the original intent of the 1990 law that created the small ethanol producer tax credit. Farmer-owned cooperatives were never intended to be excluded from receiving the benefits of the tax credit if they produce less than 30 million gallons and I believe it's time the Congress stepped in and clarified the law.

The ethanol industry in Minnesota and across the country is one we should promote. Ethanol is a crucial product for rural America, for our nation as a whole, and especially for Minnesota. I'd like to point out just a few of ethanol's impressive benefits—environmentally and economically. According to the Minnesota Corn Growers, ethanol production boosts nationwide employment by over 195,000 jobs. Ethanol improves our trade balance by $2 billion and adds $450 million to state tax receipts. It reduces emissions from gasoline use and therefore helps us clean up the environment.

According to the American Coalition for Ethanol, more than $3 billion has been invested in 43 ethanol facilities in 20 states. Those investments have directly created 40,000 jobs and more than $12.6 billion in increased income over the next five years.

Minnesota is now home to over a dozen operating ethanol plants with a capacity of over 200 million gallons annually. These plants mean new jobs with good wages and good benefits for people living in rural areas where these plants are built. According to a report by the Minnesota Legislative Auditor, those plants, and the resulting economic activity, are expected to create as many as 5,000 new, high-wage jobs—including jobs in production, construction, and support industries.

In addition to its positive economic impacts, ethanol production allows our nation to move away from our dependence on foreign energy sources. The United States Department of Agriculture estimates that for every gallon of ethanol produced domestically, we displace seven gallons of imported oil. Ethanol plays a role in increasing our national energy security by providing a stable, homegrown, renewable energy supply. Ethanol is estimated to reduce our demand for foreign oil by 98,000 barrels per day.

Those are just some of the reasons why I urge my colleagues to join Senator GRASSLEY and me in allowing small, farmer-owned cooperatives to enjoy the full benefits of the small ethanol producer tax credit.

I thank Senator GRASSLEY for including this provision, which I had planned to introduce separately, in his package of important tax relief for farmers. As one who has sponsored similar legislation providing tax relief for farmers, I strongly support his amendment and have asked to be a cosponsor. I appreciate the Senator from Iowa's efforts in support of our nation's farmers and all of rural America.

Mr. GRASSLEY. Mr. President, I yield 1⅕ minutes to Senator LUGAR.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I rise in strong support of this amendment aimed at providing tax relief to America's farmers.

I want to highlight and share my strong enthusiasm for one provision contained as part of this amendment aimed at encouraging farmers, ranchers and other small businesses to donate food to hunger relief organizations. This language is taken from bipartisan legislation I introduced earlier this year—S. 2084, the Hunger Relief Tax Incentive Act.

Current law provides corporations with a special deduction for donations to food banks, but it excludes farmers, ranchers and restaurant owners from donating food under the same tax incentive. This language would address this inequity by extending the deduction to all business taxpayers and by increasing the deduction to the fair market value of the donation.

While recently visiting food banks in Indiana, I met a Hoosier apple farmer who donates several hundred bushels of apples annually, despite the lack of a tax deduction for his actions. Because of labor and transportation costs, it would have been more cost effective to throw the food away. This should not be the case. Our tax laws should reward charitable giving, not discourage it.

Citizens have moved off of welfare, but not out of poverty. A December 1999 study by the U.S. Conference of Mayors found that requests for emergency food assistance increased by an average of 18 percent in American cities over the previous year and that 21 percent of emergency food requests could not be met. I can personally attest to this increased need after recently visiting the Tri-State Food Bank in Evansville, Gleaners Food Bank in Indianapolis, and Community Harvest Food Bank in Ft. Wayne.

This language, which enjoys broad support in the Senate, would be an effective private sector approach to addressing hunger. It has the endorsement of several hunger relief, food, and agricultural organizations, including the American Farm Bureau, the National Farmers Union, the National Restaurant Association, America's Second Harvest Food Banks, and the Salvation Army.

I encourage my colleagues on both sides of the aisle to vote in support of this amendment that benefits our farmers and our food banks.

Mr. GRASSLEY. Mr. President, I reserve the remainder of my time.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERREY. 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. KERREY. Mr. President, I am here, along with Senator BAUCUS, as well as Senator DORGAN, Senator

BREAUX, and Senator ROBB, to talk about rescission of the estate tax that we think needs to be addressed. I believe the estate tax is unfair.

I worked with Senator KYL of Arizona to write a bill to eliminate the estate tax, along with a stepped-up basis for capital gains which I think is reasonable.

Unfortunately, there are two problems I have with the legislation. One is that I see many other provisions in the Tax Code that I also don't think are fair. I think the payroll tax is too high.

If you ask me what the No. 1 item is in terms of eliminating, I would like to see the payroll tax reduced. I think it is too high. It is a barrier to savings. It especially falls very hard on those Americans to whom we are trying to give the most opportunity. I would like to see full deductibility of health insurance.

There are a lot of things that I would like to see done. But I have to measure the cost of those against the budget itself to try to maintain the fiscal discipline we have had since 1993.

As a consequence, I think what Senator DASCHLE has proposed as an alternative is reasonable.

In addition to that, if we are going to help 2 percent of Americans, it is very important for us to pay attention and try to help the 98 percent of Americans who do not have any estate. Senator BAUCUS has a proposal that will do just that.

The proposal that I want to talk about a bit is a proposal called KidSave that will similarly help 98 percent of the population of American citizens who head toward old age and have no estate beyond $650,000 that can be taxed under any circumstances, which is rather shocking when you consider how easy it is to accumulate $650,000.

The proposal I have, and I have talked about it before—in fact, I worked with Republicans as well to refine and improve it—is called KidSave. It is based on a very simple mathematical certainty; that is, if you want to accumulate wealth, the most important variable is the length of time over which you save. KidSave opens an account, administered by the Social Security Administration, but very similar to what we have with the Thrift Savings Plan. It opens an account of $1,000 at birth. If you contribute $500 in the first 5 years, you have $3,500 at age 5; and over the next 55 years, that $3,500 is using compounding interest rates.

The investment strategy is similar to the Thrift Savings Plan. Members have not only invested in it ourselves, we have employees invested in it. We become very excited about what it can do for individuals. For example, the C Fund we have available, over the last 12 years, has averaged an 18-percent compounded rate of return. It is lower if you pick a bond fund, lower than that if you pick a Treasury bond fund. The idea it is unsafe is an idea that doesn't make any sense to our employees who operate and live under that program. It gives them a chance to have something when they head towards retirement that provides them with real security—and that is wealth.

Members will find, talking to people who are concerned about the estate tax, as I have—and I think the estate tax is unfair; you can't justify 55-percent taxation especially when you bring the stepped-up basis in—when we talk to people, it provides them with a sense of security. It is not Social Security, but the wealth that accumulates provides them with a sense of security.

I say to my colleagues on the other side of the aisle, I know the debate is not heading in that direction, unfortunately. We are basically going to have a series of amendments which will go to the President, and he will veto the darn thing and we have our political issues.

I say to my colleagues on the other side of the aisle who are concerned about the impact on 2 percent of the population, what Senator BAUCUS and Senator DORGAN and Senator BREAUX and myself are trying to say is, let's express simultaneously a concern for that 98 percent of American people who are working and have no prospect right now of accumulating an estate in excess of $650,000. It is not a gamble. It is a mathematical certainty. If these accounts are opened early enough and continued over a course of a working life, every single individual in America could head towards retirement knowing that they, too, are going to have a sufficient estate to pass on to their heirs. Not only is it respectable, but it will give them security, as well.

I understand there are concerns with KidSave. We worked with Republicans to try to improve it, try to make certain that it accommodates some ideological concerns. I am willing to continue doing that effort. If we are going to be concerned that 2 percent of the population would have to pay estate taxes on estates in excess of $650,000, I believe this Senate should be similarly concerned about 98 percent of the population that heads towards retirement in older age with estates that are under $650,000.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, might I make the point that the provision that the Senator from Nebraska is offering is part of S. 21, a bill that we introduced in the first session of the 106th Congress almost 2 years ago. It was a bill to reduce Social Security payroll taxes, provide KidSave, and provide for those who wish to take the option, a 2-percent thrift savings plan equivalent throughout their working years to provide wealth.

The Senator has a powerful idea. We have provided security in the course of a long century, beginning with workman's compensation, widows' pension, and then Social Security and Medicare and Medicaid. But we have never been able to provide a great portion of our population, that which distinguishes this Nation, with a measure of wealth, an estate. Not an estate which would be much affected by the underlying bill we are talking about today. Not many $4 million estates would be acquired in the process, but there would be a measure of wealth.

It would be the first American initiative in the area of social welfare. This starts right here in this Chamber, S. 21. The first 20 numbers are reserved for the majority and minority leaders; the first bill otherwise in this Senate is this provision. We have not got to it in committee, but we have a part here on the floor. I welcome it.

Mr. KERREY. Mr. President, I appreciate that. When I talk of the estate tax, understanding there could be genuine differences of opinion—and the distinguished Senator from New York likes the estate tax. I look at it and I think it is unfair. I hear people say it only affects 2 percent of the population. I say 2 percent are getting the shaft. We ought to still try to help them, whether they are wealthy or not. I don't like the tax.

What is more startling to me is 98 percent of the population do not have an estate over $650,000. Think about that, if $1,000 at birth, compounded at 10 percent, produces $650,000.

I am not arguing that will happen over 60 years, but if you look at the Thrift Savings Plan, it has compounded at 18 percent in the C fund over the last 12 years. It is a remarkable rate of return. It is absolutely certain. If we want to help the 98 percent that don't have estates over $650,000, it is absolutely a mathematical certainty that we can do it. One cannot wait until 55. One cannot wait until 65. One cannot wait even until 45. Start early. The earliest possible moment is at birth. Open these accounts at birth and contribute early.

One objection I heard on the other side is it ought to be an ''earned'' entitlement. We worked with heritage to make it earned entitlement. I am willing to do that. If you understand compounding interest rates, and if you are startled not by the fact that only 2 percent have estates over $650,000 but that 98 percent haven't reached $650,000—that is a startling number; it is not good. Inside of a liberal democracy in a free market system such as ours, it is not good because we have the rich getting richer and the poor getting poorer. Not because the rich are doing anything bad. I am not saying they are at fault.

What is happening relative to the wealth being generated in America,

people without wealth are getting poorer. Raising the minimum wage and expanding the EATC—both of which I favor—do not address the problem of wealth. That is income. In order to address wealth, we have to do it in a different fashion.

I hope during this estate tax debate we not only notice that only 2 percent have estates over $650,000, but 98 percent don't, and we begin in an urgent and serious fashion to address that problem.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I yield 30 seconds to the Senator from Kansas for speaking on his portion of my amendment.

Mr. BROWNBACK. Mr. President, I thank my colleague from Iowa for recognizing me for this portion of the bill. The portion of the bill I have is a bill that I, along with Senator DASCHLE, have introduced, with 32 other cosponsors, called the Conservation Reserve Program Tax Fairness Act. What it would do is keep conservation reserve program payments from being subject to self-employment tax.

Unfortunately, a circuit court in this country determined that these CRP payments are subject to that. This removes that. That is in the bill. That is why I support my colleague from Iowa and urge my colleagues to support this amendment.

Mr. GRASSLEY. Mr. President, I yield myself a final 30 seconds to ask unanimous consent to have printed in the RECORD a letter in support of the amendment from the American Farm Bureau Federation.

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

AMERICAN FARM BUREAU FEDERATION,
Washington, DC. July 13, 2000.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY: Farm Bureau supports a proposed amendment to add several key agricultural tax provisions to H.R. 8, the Death Tax Elimination Act of 2000. Included in this amendment is the creation of Farm and Ranch Risk Management Accounts (FARRM accounts), repeal of self-employment taxes on farmland rental, and clarification that farm income averaging does not trigger the Alternative Minimum Tax (AMT).

Using a FARRM Account, producers would be able to save up to 20 percent of net farm income in a tax-deferred account where the funds could be held in reserve for up to five years for financial emergencies. Unpredictable weather and uncontrollable markets impact supply and demand making farm income difficult to predict. Serious financial problems can arise when agricultural producers are unable to cover expenses with current income. Farmers and ranchers need financial management tools that encourage savings as a means of stabilizing their incomes.

Recent Internal Revenue Service (IRS) activities have wrongly broadened the application of the self-employment tax. Until 1996, farmers and ranchers paid the 15.3 percent self-employment tax on income from labor and employment as intended by Congress. In that year, a tax court case expanded the tax to include income from the cash rental of farmland. This was done even though the tax code does not generally require non-agricultural property owners to pay self-employment tax on cash rental receipts.

Congress enacted three-year averaging for farm and ranch income in 1997 to protect agriculture producers from excessively high tax rates in profitable year. The intended benefits of income averaging, however, are being eroded by the imposition of the Alternative Minimum Tax (AMT) which limits tax savings for farmers and ranchers. Producers most at risk, those whose incomes vary greatly from year to year, are hurt most by AMT-imposed limits on farm and ranch income averaging.

Farm Bureau urges your support for the agricultural tax amendment to H.R. 8. Thank you for your consideration.

BOB STALLMAN,
President.

Mr. GRASSLEY. Mr. President, No. 2, I remind people the farmer savings accounts give the farmers an opportunity to level out years of high income versus years of low income. Very seldom, because of nature, can the farmers control their productivity to any great extent, so they have these peaks and valleys. This gives the family farmer an opportunity to manage his income to a greater extent.

I yield the floor.

AMENDMENT NO. 3835

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, to provide a refundable credit to certain individuals for elective deferrals and IRA contributions, and to provide an incentive to small business to establish and maintain qualified pension plans, to amend the Social Security Act to provide each American child with a KidSave Account, and for other purposes)

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. KERREY, Mr. DORGAN, and Mr. ROBB, proposes an amendment numbered 3835.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. BAUCUS. Mr. President, this is an amendment to help people who are not now putting aside money for their retirement. It is combined with measures previously addressed by the Senator from Nebraska, Mr. KERREY, with respect to KidSave. It is a combined amendment along with the Democratic estate tax alternative. So, like other Democratic amendments, this replaces the estate tax provisions in the House bill with the estate tax relief in the Democratic alternative.

As I said before, there are two reasons we have our Democratic alternative. One, it provides more relief more quickly to the folks who really need it; that is, our family businesses, small businesses, ranchers and farmers; and the second part of the basic Democratic alternative amendment is it puts the $40 billion that is saved, compared with the House-passed bill, to better use. Instead of providing further estate tax relief for the few individuals who, by any measure, are very well off—that is, the top portion of the 2 percent—we decided to encourage middle-class families to do more to provide for their own retirement.

We give every child a stake in the American dream. Senator KERREY mentioned the phenomenon of compounding interest. The rule of thumb is that, if you earn 7 percent interest, your money will double every 10 years, at 10 percent interest, your money doubles every 7 years. You can imagine the magic of compounding over a child's lifetime. Senator KERREY has eloquently described that portion of the amendment.

I will explain the portion that is the incentive for retirement saving. Why do we need an incentive? Let me start by pointing out that Social Security is the primary source of income for two-thirds of elderly Americans. We have to stop and think about that just a second. Social Security is the primary source of income for two-thirds of elderly Americans. That is, they do not have other sources of income that amount to very much. In fact, it is the only source of income for about 16 percent of the elderly. For 16 percent, it is the only source.

Those of us who offer this amendment believe, of course, we must protect Social Security. I think everyone in this Chamber agrees with that statement. But I also believe that is not enough. We must complement Social Security by helping people set additional savings aside because Social Security is not enough. Otherwise, there are far too many Americans who will spend their retirement years just one step away from poverty.

So our goal is to increase pension savings, retirement savings, in addition to the Social Security program. That is partly because America is not a nation of savers. We have seen all the statistics. Personal savings rates have continually declined in this country. One-half of all Americans have less than $10,000 set aside for retirement. Let me repeat that. One-half of all Americans have less than $10,000 set aside for retirement. Obviously, we need more.

Part of the solution is pension and IRA reform. Senator ROTH of Delaware

has done wonderful work helping this Nation develop better IRA programs. In fact, we have an IRA program named after him, the ROTH IRA. And I have worked with Senators GRAHAM and GRASSLEY on reform for employer-sponsored pension plans. But pension and IRA reform are not the complete solution. After all, pension reform encourages people who are already saving to save a little more. We also need to give people who are not saving anything now—middle- and lower-income people, an incentive to save as well. That is people who are working hard, playing by the rules, but still struggling to make ends meet—which is most Americans, if truth were known—those folks with less than $10,000 set aside for retirement.

That is what our retirement savings amendment would do. It would help in two separate ways: First, it provides a refundable tax credit to match the savings of middle-income workers and spouses. It phases out once the income gets higher, but it is focused on lower and middle income—and I mean middle income, because it phases out with incomes about $75,000. Second, we provide tax incentives to encourage small business owners to start new pension plans for themselves and their employees.

My State of Montana is a small business State. About 20 percent of employees have access to pension plans because it is very hard for a small business person to set up a pension plan. If you stop and think about it, when a person sets up his business or her business, that first day that business owner must meet a payroll tax, and it is big. It may take a while before the business starts making money, and even then, there is only so much money to go around. So the business owner has to prioritize. And most lower income workers are much more interested in getting health care coverage or other benefits than they are in a pension plan. Our amendment provides an incentive to help make it a good business decision for that small business person to offer a pension plan to his or her employees.

I believe this amendment gets our priorities pretty right. In estate tax reform, it provides dramatic tax relief for 90 percent of the farmers and ranchers who are hit by an estate tax; three-quarters of family-held businesses who are otherwise paying estate tax, and about two-thirds of people overall who now pay tax. At the same time, it sets aside $40 billion to give incentives to small businessmen to start pension plans, and help them and their employees keep their pension plan going. It will help millions of Americans, particularly middle-income Americans, increase their wealth so they can have their stake in the economy and encourage them to save for retirement to supplement Social Security.

Mr. President, I reserve the remainder of my time. Senator KERREY spoke earlier on the KidSave portion of this amendment.

I don't see anyone else wishing to speak, so I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, the clerk will call the roll.

The assistant legislative clerk 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 will be very brief in my comment on this amendment. This amendment has the same fundamental defect that the other Democratic amendments have. It is built on the Democratic alternative to the House death tax repeal bill. For that reason, I must oppose the amendment, as the Democratic alternative fails to achieve the termination of the death tax.

Second, I want to raise a procedural point. While I agree and support the concept of encouraging savings, I regret that this amendment would cause the Finance Committee to violate its outlay allocation under the budget resolution. As a result, I raise a section 302(f) point of order against this amendment.

The PRESIDING OFFICER. Does the Senator from Delaware yield at this time?

Mr. ROTH. I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I move to waive the Budget Act.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time having been yielded back, the vote will occur in the sequence in which it has been stacked.

The Senator from Minnesota.

AMENDMENT NO. 3836

Mr. GRAMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. GRAMS], for himself and Mr. ABRAHAM, proposes an amendment numbered 3836.

Mr. GRAMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To repeal the increase in tax on Social Security benefits)

At the end of the bill, add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Paragraph (2) of section 86(a) (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 2000.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2000.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

Mr. GRAMS. Mr. President, this is a very simple amendment. The amendment repeals the 1993 tax increase that was imposed as part of the Clinton tax package in 1993, but this was an additional increase in taxes on seniors' Social Security benefits. While we should repeal all of the taxes on seniors' Social Security benefits, as it was when Social Security began, as I have proposed in my legislation, S. 488, I believe this amendment is at least a move in the right direction, and that is to restore some fairness for our senior citizens.

This amendment, as I said, repeals completely President Clinton's 1993 tax increase on seniors' Social Security benefits. The repeal does not affect Medicare because the revenue loss is offset by the non-Social Security surplus. We are holding the Medicare trust fund harmless while correcting what I believe, and I think the majority in Congress believe, is the injustice of the 1993 tax increase on Social Security benefits for our senior citizens.

There are many compelling reasons to repeal this unfair tax increase. When Congress established the Social Security program, the benefits that were then paid to senior citizens were exempt from all Federal income tax. In fact, Social Security benefits were not taxed at all by the Federal Government for nearly half a century. However, when Social Security encountered a financial crisis in the early 1980s, Congress began taxing the benefits. Half—50 percent—of Social Security benefits were subjected to taxation if a single senior citizen earned an annual income of over $25,000 a year and where a couple earned more than $32,000 a year. With the couples and the singles, this is almost a marriage penalty on senior citizens in their retirement benefits.

In 1993, when President Clinton needed even more money to fund his new spending programs, he increased the taxable portion of Social Security benefits from the 50-percent level to 85 percent of income for our seniors. These tax increases have been an unfair tax burden on a number of our senior citizens. In fact, 25 percent of our retirees are affected by this provision.

I believe taxation on Social Security benefits is wrong and it is unfair because Social Security benefits are already earned benefits for senior citizens. By that I mean that Federal income tax has already been paid on Social Security contributions. I do not know if a lot of people realize this, but before they take Social Security out of your check, the Government taxes it. So for your whole life, all of your Social Security earnings have already been taxed before the Government takes it and puts it into the system. What they are saying now is they want to tax you again as you bring it out not at 50 percent, but as high as 85 percent for up to 25 percent of our seniors. This is a very unfair tax. Yet the Government is now taxing them again on the benefits they are collecting. Clearly, taxing Social Security benefits is a double taxation.

Millions of senior citizens planned for their retirement based on the expectation that their benefits would not be taxed. As the tax rate continues to grow and health care costs are also increasing, the income of more and more senior citizens is falling along with their standard of living.

Social Security has become the primary source of retirement income for most Americans, and as I said, as the health care costs go up and the Government is taking more money from them in taxes, it leaves them less to pay for health care and to pay for prescription drugs if they need it. It all, again, goes back because the Government wants a bigger part of their income.

Six out of 10 recipients today get more than half of their income from Social Security. For some families, Social Security benefits are the only source of their retirement income, and research shows American seniors will depend even more on just Social Security income in the future. That is because a lot of our citizens today do not have money left at the end of the month to put into a savings account for their retirement. They are left with only one choice, and that is Social Security. Again, they have less left at the end of the month to put into a savings account because Government taxes are going up. In fact, they are 15 times higher on a household today than they were at the turn of the century in 1900.

Although Social Security has helped many American seniors, the income that is derived from Social Security is often insufficient to maintain a decent retirement today. For example, 1995 data shows that male retirees received on average $810 a month in benefits. Women received only $621 a month from Social Security. I repeat, data from 1995 shows on average $810 a month for men when they retire, and only $621 on average for women when they retire.

In fact, Social Security benefits are paltry, which is one reason why the poverty rate among widows is nearly 20 percent, two times greater the rate than widowers, and poverty rates are higher among retired minority women. Twenty-nine percent of African American women and 28 percent of Hispanic women retire into poverty.

I believe it is unconscionable for Washington to tax Americans' Social Security retirement benefits.

In addition, over the past 15 years, goods purchased by seniors have increased 6 percentage points more than goods purchased by the general public. Again, their dollars are not stretching as far as they used to stretch. Their medical costs skyrocketed by 156 percent, and they have less of their retirement benefits because the Government is taxing more.

My concern is as inflation on medical and pharmaceutical goods continues to rise, without repeal of this unfair tax increase, older Americans' hard-earned Social Security benefits will be worth less and less, and that means their purchasing power will continue to diminish and so will their standard of living.

This tax hurts seniors who choose to work or must work after retirement in order to maintain their standard of living or to pay for health insurance premiums, medical care, prescriptions, and many other expenses.

This tax increase is nothing but a reduction in seniors' benefits that Washington has promised. Unlike welfare where need determines the level of benefits, Social Security is an earned right for our seniors. Taxing their benefits—again, double taxation—is simply an indirect means test on those benefits.

I bet millions of American seniors would agree with me. In fact, repeal of the 1993 tax increase has strong support in the Congress. It was part of the Republican Contract With America and was approved by the House as part of the omnibus reconciliation bill in 1995. In the 106th Congress, 14 bills have been introduced calling for the repeal of this unjust increase in taxation. Some will argue that Medicare will be hurt through this amendment, but, in fact, Medicare funding will be left untouched. Social Security tax dollars going to Medicare will be supplanted by general revenue funds. I believe all of us recognize the need to preserve the integrity of the Medicare program. Therefore, I have ensured through this amendment that it will not harm Medicare.

Many seniors across the country strongly support the repeal of this unfair tax increase. Seniors' organizations such as United Seniors and the Council for Government Reform strongly favor its repeal. The National Committee to Preserve Social Security and Medicare has also stated that it favors the repeal of this 1993 tax increase that was imposed by President Clinton on our senior citizens.

The American Association of Retired Persons originally opposed the 1993 tax increase and has not changed its position. In this era of budget surplus, there is absolutely no reason at all for the Government to continue taxing our seniors' retirement income in order for the Government to subsidize excessive spending from Washington.

I believe seniors deserve tax relief so they can keep a little more of their own money in their pockets, again, so they can help pay for their own medical bills, their prescriptions, and other expenses.

I urge my colleagues to support this amendment.

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

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 48 seconds.

Mr. GRAMS. Mr. President, I reserve the remainder of my time.

Mr. KYL. Mr. President, I thank my colleague from Minnesota for offering this amendment.

This has been a long time in coming. Just about 7 years ago, on August 6, 1993, the Vice President cast the deciding vote in this Chamber to raise taxes on Social Security benefits. That same day, in the House of Representatives, I introduced legislation to roll back that Clinton-Gore tax hike for seniors. I was proud to have my colleague from Minnesota as a cosponsor of that bill, and I am pleased to offer my support for his amendment today.

Millions of Americans depend on Social Security as a critical part of their retirement income. Having paid into the program throughout their working lives, older Americans plan their retirement budgets very carefully assuming that expected benefits will be there.

The 1993 Clinton-Gore Social Security tax hike upset the carefully laid plans of millions of retirees by subjecting to federal taxation 85% of the benefits earned by seniors above $34,000—or $44,000 for a couple. For affected seniors, this constituted an increase of as much as 70 percent in the marginal tax rate.

The result is that seniors who had planned to continue building their nest eggs after retirement found themselves facing an overwhelming disincentive to continue earning.

This is not just counterproductive—it is blatantly unfair. Younger investors face no such disincentives to save and invest. And yet investment income is much more important to seniors than it is younger citizens. Sixty percent of seniors' income is derived from their investments.

It is simply not credible to dismiss the millions of Americans who must pay this unfair tax hike as ''the rich.'' Last year, 4.6 million American households had to pay more in taxes than they would have had the Clinton-Gore increase not been in effect. That is

more than a quarter of all households that include at least one Social Security beneficiary.

Earlier this year, we came together on a bipartisan basis to repeal the Social Security earnings limit. At that time, I wondered if the unanimous vote to put an end to that relic of the Depression Era indicated a new willingness to remove the barriers that discourage older Americans from supplementing government assistance with self-help.

Our vote on the Grams amendment will demonstrate which Members of this body are prepared to follow through on that principle. I certainly hope that this vote will be just as overwhelming as the vote on the earnings limit.

The PRESIDING OFFICER. Who yields time?

The Senator from Nevada.

Mr. REID. Mr. President, as soon as the time expires on the majority side, we will yield back the remainder of our time. The respective Cloakrooms have hotlined all Senators. I ask unanimous consent that the vote start when the time is yielded back rather than at 6:30.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Does the Senator from Minnesota yield back the remainder of his time?

Mr. GRAMS. Mr. President, I reiterate this is an unfair tax. This is double taxation on senior citizens, raising it from 50 to 85 percent on their income, and at a time when we are talking about seniors needing additional dollars to help pay their medical bills, and especially to help them meet their prescription drug bills. So I think this would be one way to enable our seniors to have a little more say in their income and be able to provide for themselves a little better.

I urge my colleagues to support this amendment to repeal the President's 1993 tax on Social Security earnings for our retired Americans.

I yield back the remainder of our time.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I simply point out that this amendment would move us backward in our efforts to produce a stable and continuous Social Security and Medicare systems.

In 1993, I was chairman of the Finance Committee. We expanded provisions with respect to the normal taxation of benefits received from Social Security, just as all other pension benefits, are taxed, which is to say, taxes on that part which is not taxed as employee income at the time the contribution is made. This obviously only affects persons with substantial income who are subject to the income tax. I think a quarter of Social Security recipients will pay no tax of any kind, they having low incomes generally and are below the income tax thresholds.

We did this as part of a general program to secure the Social Security system for the next 75 years. We have not completed this work. We have to adjust the Consumer Price Index. We have to bring in State and local employees, almost a quarter of whom pay no Social Security tax on their regular job but pick up Social Security on the side and get a much higher return than the persons who pay through their regular employee.

The exemption for State and local employees is an anachronism that we inherited from 1935 when it was not clear that the Federal Government could tax a State government, and the issue was just not joined. It is now clear. Most State governments do it; some do not.

There are another few corrections that could be made. And then we have an actuarially sound program for 75 years. To go back now on this one step we have made is to go back to a prospect that in 15 years' time the Social Security system will not be bringing in the amount of revenues it needs to pay benefits and we will start drawing out of general revenues, and very quickly the insurance system will cease to be that, it will be a transfer of payments subject to all of the difficulties we have seen with such payments. And we will do the same to the solvency of Medicare as this change would accelerate the date of the Medicare Hospital Insurance Trust Fund from 2025 to 2020.

I remind the distinguished Presiding Officer that the one change we have seriously made in the Social Security system in this decade is to abolish the provision for children, title IV-A, which was a direct transfer.

I hope we do not accept this amendment.

Mr. President, I yield the floor.

Mr. GRAMS. Mr. President, I ask unanimous consent that I have at least 30 seconds to respond.

Mr. REID. I object.

Mr. GRAMS. I thought all time had been yielded back.

Mr. DASCHLE. Mr. President, I ask unanimous consent the Senator be recognized for 30 seconds.

The PRESIDING OFFICER. Is there objection?

Without objection, the Senator is recognized for 30 seconds.

Mr. GRAMS. Mr. President, all I want to say is that if it is justifiable to increase taxes on our senior citizens to help supplement the Social Security system, it would be like increasing taxes on our farmers so we could give them a better farm bill. It would be like taking more taxes from the farmers so we can give them more back in the farm program. It is saying: Let's tax our seniors at a higher rate—which is unfair—so we can give them more back to stabilize the Social Security system. It is a basic double taxation.

I urge my colleagues to support the amendment.

Mr. MOYNIHAN. Mr. President, I say to the Senator, this is not, sir, double taxation. This is the normal taxation of retirement benefits.

The PRESIDING OFFICER. Does the Senator yield back all his time?

Mr. MOYNIHAN. I yield back.

AMENDMENT NO. 3828

The PRESIDING OFFICER. All time having been yielded back, under the previous order, the Senate will now address the Bingaman amendment No. 3828. The question is on agreeing to the motion to waive the Budget Act.

There are 2 minutes equally divided.

Who yields time?

Is all time to be yielded back?

Mr. REID. All time has been yielded back on all these amendments.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion to waive the Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The yeas and nays resulted—yeas 47, nays 53, as follows:

[Rollcall Vote No. 184 Leg.]

YEAS—47

Akaka	Edwards	Lieberman
Baucus	Feingold	Lincoln
Bayh	Feinstein	Mikulski
Biden	Graham	Moynihan
Bingaman	Harkin	Murray
Boxer	Hollings	Reed
Breaux	Inouye	Reid
Bryan	Johnson	Robb
Byrd	Kennedy	Rockefeller
Chafee, L.	Kerrey	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Specter
Daschle	Landrieu	Torricelli
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	

NAYS—53

Abraham	Frist	McConnell
Allard	Gorton	Murkowski
Ashcroft	Gramm	Nickles
Bennett	Grams	Roberts
Bond	Grassley	Roth
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Cochran	Hutchinson	Smith (OR)
Collins	Hutchison	Snowe
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
Crapo	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Lugar	Voinovich
Enzi	Mack	Warner
Fitzgerald	McCain	

The PRESIDING OFFICER. On this vote, the yeas are 47, the nays are 53. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 3829

The PRESIDING OFFICER. Under the previous order, we now deal with the Roth amendment numbered 3829 with 2 minutes equally divided.

Who yields time?

Mr. ROTH. Mr. President, I will be very brief in the interest of saving time.

My amendment will eliminate the telephone tax. I think this has broad bipartisan support.

I urge everyone to comport with the amendment.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, this amendment has bipartisan support. I wonder if we can have a voice vote on it.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. ROTH. We ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the amendment. The clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 97, nays 3, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—97

Abraham	Enzi	Mack
Akaka	Feingold	McCain
Allard	Feinstein	McConnell
Ashcroft	Fitzgerald	Mikulski
Baucus	Frist	Moynihan
Bayh	Gorton	Murkowski
Bennett	Gramm	Murray
Biden	Grams	Nickles
Bingaman	Grassley	Reed
Bond	Gregg	Reid
Boxer	Hagel	Robb
Breaux	Harkin	Roberts
Brownback	Hatch	Rockefeller
Bryan	Helms	Roth
Bunning	Hutchinson	Santorum
Burns	Hutchison	Sarbanes
Byrd	Inhofe	Schumer
Campbell	Inouye	Sessions
Chafee, L.	Jeffords	Shelby
Cleland	Johnson	Smith (NH)
Cochran	Kennedy	Smith (OR)
Collins	Kerrey	Snowe
Conrad	Kerry	Specter
Coverdell	Kohl	Stevens
Craig	Kyl	Thomas
Crapo	Landrieu	Thompson
Daschle	Lautenberg	Thurmond
DeWine	Leahy	Torricelli
Dodd	Levin	Warner
Domenici	Lieberman	Wellstone
Dorgan	Lincoln	Wyden
Durbin	Lott	
Edwards	Lugar	

NAYS—3

Graham	Hollings	Voinovich

The amendment (No. 3829) was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3824

The PRESIDING OFFICER. The question now is on the motion to waive the Budget Act with respect to the Graham amendment, No. 3824. The yeas and nays have been ordered.

There is 2 minutes of debate equally divided. Who yields time?

Mr. GRAHAM. Mr. President, when we adopted the budget resolution, we allocated $40 billion over 5 years to finance a prescription medication benefit. Two things have happened since then, and a third is about to happen.

The first thing that happened is we have recognized that $40 billion over 5, which is actually over 3 years that the prescription benefit will be available, would result in a prescription medication benefit that would be less than a third of the prescription medication benefit which most health insurance programs for over-65-year-olds provide. So we are about to propose going in with a grossly deficient prescription medication benefit if we restrict ourselves to the $40 billion.

The second thing that happened is we have new revenue estimates which have quadrupled the amount of surplus we are going to have.

The third thing is we have just made a series of decisions already tonight, which will be confirmed by final passage, to spend some $100 billion over 5 years for tax cuts, from the estate tax to the R&D tax to the phone tax cut we just passed, and if we pass the Social Security cut of Senator GRAMS.

How can we go home and say we can pass $100 billion over 5 years in these tax cuts but cannot add $40 billion which will allow us to finance a decent prescription benefit for 40 million American elderly?

The PRESIDING OFFICER (Mr. SESSIONS). The time of the Senator has expired. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have raised the point of order on this amendment. Let me just recap for you.

Not too many months ago, we produced a budget resolution. There was debate in committee. We started at $20 billion as a good starting point to reform Medicare and provide some prescription drugs. Just to show the sequence, the ranking member, Senator LAUTENBERG, thought we ought to have $35 billion. Before we finished, a bipartisan solution was crafted by the distinguished Senator from Maine, as I recall, and the distinguished Senator from Oregon. It was heralded as the solution. It was $20 billion to reform, $20 billion for prescriptions. Everybody said, ''Good.''

That is in effect. When somebody comes to the floor tonight, with a few days left in the session, and wants to rewrite the budget and change that to $80 billion, I say the seniors know we just cannot continue to have this kind of bidding. We will bankrupt Medicare ultimately and we will not get the kind of reform we need and we will be holding out to them a bankrupt system, but we got prescription drugs. Incidentally, the President thought we could do it with $31 billion, and he would not start it for 3 full years. How do you like that?

All of a sudden, we have the solution to all the problems, and the solution is, not $20 billion, not $35 billion that Senator LAUTENBERG wanted, not even $40 billion. It is $80 billion.

The point of order is real substance in this case. Seniors know we should not be doing this because of their future and the children's future. We should not be trying to raise the ante on the floor.

The PRESIDING OFFICER. The time of the Senator has expired. The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New Jersey (Mr. TORRICELLI) is necessarily absent.

The yeas and nays resulted—yeas 46, nays 53, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—46

Akaka	Feingold	Lieberman
Baucus	Feinstein	Lincoln
Bayh	Graham	Mikulski
Biden	Harkin	Moynihan
Bingaman	Hollings	Murray
Boxer	Inouye	Reed
Breaux	Jeffords	Reid
Bryan	Johnson	Robb
Byrd	Kennedy	Rockefeller
Chafee, L.	Kerrey	Sarbanes
Conrad	Kerry	Schumer
Daschle	Kohl	Snowe
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden
Durbin	Leahy	
Edwards	Levin	

NAYS—53

Abraham	Fitzgerald	McConnell
Allard	Frist	Murkowski
Ashcroft	Gorton	Nickles
Bennett	Gramm	Roberts
Bond	Grams	Roth
Brownback	Grassley	Santorum
Bunning	Gregg	Sessions
Burns	Hagel	Shelby
Campbell	Hatch	Smith (NH)
Cleland	Helms	Smith (OR)
Cochran	Hutchinson	Specter
Collins	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner
Enzi	McCain	

NOT VOTING—1

Torricelli

The PRESIDING OFFICER. On this vote, the yeas are 46, the nays are 53. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 3834

The PRESIDING OFFICER. The question occurs on amendment No. 3834. There are 2 minutes for debate. Who seeks time?

The Senator from Iowa.

Mr. GRASSLEY. Mr. President, with this amendment we are making very certain that farmers are a high priority with this bill and with this body.

This amendment is a major package of tax benefits for farmers: No. 1, the farmers savings account; No. 2, fixing a number of misguided IRS decisions that are very detrimental to farming and not within the intent of Congress; No. 3, repealing the draconian installment sales provision which is a No. 1 provision that small business seeks;

No. 4, to increase bonding for beginning farmers.

I thank Senators ROTH, ROBERTS, BROWNBACK, LUGAR, and GRAMS for their contributions. I urge its adoption.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, is the Senator from Iowa going to require a recorded vote on this?

Mr. GRASSLEY. No.

Mr. REID. Mr. President, while everybody is here, we can finish quickly tonight if everybody adheres to the 10 minutes. The votes are running over 10 minutes considerably. I hope we can all vote on time and move this bill along a little more quickly.

The PRESIDING OFFICER. The Senator is correct. It will move faster.

If there is no further debate, the question is on agreeing to amendment No. 3834.

The amendment (No. 3834) was agreed to.

AMENDMENT NO. 3835

The PRESIDING OFFICER. The question is on the adoption of the motion to waive the Budget Act with regard to the Baucus amendment No. 3835. There are 2 minutes for debate.

Who seeks time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, this is a good amendment which includes the best two-thirds of the estate tax relief in the House bill, which is the bill promoted by the majority side. It combines this estate tax relief with important incentives for middle-income persons to save for their retirement. Retirement security is known as a stool with three legs—Social Security, employer-sponsored pension plans and personal savings. This amendment goes a long way toward strengthening those last two legs for middle and lower-income America. By giving a tax credit to those under $75,000 in income to encourage them to save for retirement, and tax credits to small businesspeople who set up new plans for their workers, we can truly help average Americans save for the future.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

The Senator from Delaware.

Mr. ROTH. Mr. President, this amendment includes the Democratic substitute that fails to sunset the death tax. Moreover, the amendment includes two additional provisions which cause the Finance Committee to exceed its 301 spending allocation.

I urge a ''no'' vote on waiving the point of order.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New Jersey (Mr. TORRICELLI) is necessarily absent.

The yeas and nays resulted—yeas 44, nays 55, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—44

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Lincoln
Biden	Graham	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Chafee, L.	Kennedy	Robb
Cleland	Kerrey	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Schumer
Dodd	Landrieu	Wellstone
Dorgan	Lautenberg	Wyden
Durbin	Leahy	

NAYS—55

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Byrd	Helms	Smith (OR)
Campbell	Hutchinson	Snowe
Cochran	Hutchison	Specter
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner
Enzi	McCain	
Fitzgerald	McConnell	

NOT VOTING—1

Torricelli

The PRESIDING OFFICER. On this vote, the yeas are 44, the nays are 55.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 3836

The PRESIDING OFFICER. The question now is on the Grams amendment No. 3836. There will be 2 minutes equally divided.

Who seeks recognition?

Mr. GRAMS. Mr. President, this is a very simple amendment. It asks for the repeal of the 1993 tax increase that was placed on Social Security benefits. By the way, that does not affect Medicare because we have provided offsets to do that in this amendment.

For the first 50 years of Social Security, there was no Federal tax on the benefits our seniors received from Social Security. You were taxed on those benefits before it was taken out of your check and not when you received the benefits. But in the 1980s, they put on a tax and exposed 50 percent of the benefits. Then in 1993, under President Clinton's tax increase plan, it increased to 85 percent. Social Security is taxed before being taken from your checks. Now it is taxed up to 85 percent when you receive the benefits. That is double dipping, and, at a time when health care costs are going up and we are debating prescription drug benefits, we need to leave more dollars in our seniors' pockets.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. Mr. President, I repeat, sir, that the 1993 measure was part of a long-range effort to restore actuarial balance to the Social Security and Medicare systems. It treats Social Security income, retirement income, as all other retirement income is treated. That part for which taxes have been paid is exempted. The rest is taxed normally for others. Low-income beneficiaries of Social Security would pay no tax. This money goes into the Medicare trust fund and is part of the long-term solvency we seek.

I thank the Chair.

Mr. DASCHLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. 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. DASCHLE. Mr. President, we can proceed to the vote now.

The PRESIDING OFFICER. The question is on agreeing to the Grams amendment No. 3836. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from New Jersey (Mr. TORRICELLI) is necessarily absent.

The PRESIDING OFFICER (Mr. HUTCHINSON). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—58

Abraham	Feinstein	McCain
Allard	Fitzgerald	McConnell
Ashcroft	Frist	Murkowski
Bennett	Gorton	Nickles
Bond	Gramm	Roberts
Brownback	Grams	Roth
Bunning	Grassley	Santorum
Burns	Gregg	Sessions
Campbell	Hagel	Shelby
Chafee, L.	Hatch	Smith (NH)
Cochran	Helms	Smith (OR)
Collins	Hutchinson	Snowe
Conrad	Hutchison	Specter
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
Crapo	Johnson	Thompson
DeWine	Kyl	Thurmond
Domenici	Lott	Warner
Dorgan	Lugar	
Enzi	Mack	

NAYS—41

Akaka	Bryan	Feingold
Baucus	Byrd	Graham
Bayh	Cleland	Harkin
Biden	Daschle	Hollings
Bingaman	Dodd	Inouye
Boxer	Durbin	Kennedy
Breaux	Edwards	Kerrey

Kerry	Lincoln	Rockefeller
Kohl	Mikulski	Sarbanes
Landrieu	Moynihan	Schumer
Lautenberg	Murray	Voinovich
Leahy	Reed	Wellstone
Levin	Reid	Wyden
Lieberman	Robb	

NOT VOTING—1

Torricelli

The amendment (No. 3836) was agreed to.

Mr. LOTT. I move to reconsider the vote.

Mr. MOYNIHAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I know Senators are anxious to get an agreement on how we proceed at this point. Once again, I thank the Democratic leader for his work with us as we develop these unanimous consents. It is next to impossible to accommodate every Senator's wishes. My goal is to try to find a way to get this work completed in as reasonable a time as possible. I think this will help us get that done.

With regard to the legislation before the Senate, I ask consent that the time between now and 10 p.m. be equally divided in the usual form between the two leaders, and the following amendments be debated for up to 10 minutes, equally divided, in the following order: the Kerry amendment regarding housing; Santorum regarding community renewal; Harkin on Social Security; Roth on retirement; Wellstone-Dodd on child care adoption tax credit; Bayh on long-term care, self-employed health care; Lott on ESAs, et cetera; Feingold amendment on $100 million cap; and the final motion to recommit by myself.

I further ask consent at 9 a.m. on Friday the Senate proceed to a series of votes in relation to the above-listed amendments in the order offered, with 2 minutes of debate equally divided for each amendment prior to each vote.

Mr. DASCHLE. Reserving the right to object, I suggest to the majority leader, we have been consulting on the order. On our side, Senators DODD and WELLSTONE would like to switch the order with Senator HARKIN. I make that modification.

We have a number of Senators who are hopeful they can catch planes. It is so tight that if we have the 2 minutes of debate, in a couple of cases they may miss their planes. I ask that we delete that for this time only. I know it is a very important matter, and oftentimes it is essential for Members to understand the amendments. We will have tonight and tomorrow morning to look at these amendments. I ask that we delete the reference to the 2 minutes.

Mr. LOTT. I think those are reasonable requests, so I modify my request, No. 1, to move the Wellstone-Dodd amendment in order after Santorum and before the Harkin amendment; and that the 2 minutes of debate equally divided be deleted.

Mr. KERRY. Reserving the right to object, I don't know whether I misheard the majority leader or whether he said 10 minutes equally divided; I think he means 20 minutes equally divided.

Mr. LOTT. It is 10 minutes equally divided, not 20 minutes.

Mr. DASCHLE. If I could respond to the Senator's inquiry, if it could accommodate some of those Senators who need more time, we still have more time on the bill. I am happy to authorize the use of whatever additional time allocated to me to those Senators who may require some additional time to further explain their amendment, keeping, therefore, the 10 minutes in the unanimous consent request if that accommodates the Senators.

Mr. LOTT. I, too, make the point that brevity, succinctness, and targeted debate is very persuasive.

Mr. KERRY. Does that mean if I speak for 1 minute the Senator will vote with me?

Mr. LOTT. It would be much more likely.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LOTT. Mr. President, with regard to reconciliation and the marriage penalty tax issue, there is an awful lot of interest in that matter in how we proceed tomorrow. We will have a series of stacked votes tomorrow morning, possibly as many as nine.

But I believe we can get through it in a reasonably short period of time—hopefully 2 hours. If Senators will come to the floor for the first vote and stay on the floor, we can move much more quickly and we will be able to be completed with that series, I hope, by 11 o'clock, on the marriage penalty.

UNANIMOUS CONSENT AGREEMENT H.R. 4810

I now ask unanimous consent, notwithstanding any provisions governing the reconciliation budget process, that immediately following the passage of H.R. 8 on Friday, July 14, the Senate turn to consideration of H.R. 4810, the reconciliation bill, and the Senate bill be offered as an amendment and immediately be agreed to and considered as original text for the purpose of further amendments, and the following amendments be the only first-degree amendments in order, and limited to all the restraints outlined in the budget resolution, except that each amendment be limited to up to 30 minutes each with 20 minutes for any second-degree amendment.

Those amendments are as follows. I send to the desk the amendments that have been requested by Republican Members and Democratic Members.

The list is as follows:

Grams—Social Security.
B. Smith—Internet Tax.
B. Smith—Marriage penalty.
B. Smith—Relevant.
B. Smith—Relevant to anything on the list.
Coverdell—Relevant.
Murkoswki—Relevant.
Stevens—Sec. 415.
Stevens—Income averaging fishermen.
Stevens—Empty seat.
Stevens—Whaling captains deductions.
Stevens—Permanent diesel dye exemptions.
Stevens—Settlement trust.
Lott—Relevant to anything on the list.
Lott—Relevant to anything on the list.
Gramm—Relevant.
Gramm—Relevant.
Burns—Installment sales.
Roth—Sunset.
Abraham—Relevant.
Cleland—Savings Bond exemption long term care.
Cleland—Extend deduction computer donations.
Conrad—Medicare Social Security lockbox.
Daschle—Pay equity.
Daschle—Pay equity.
Daschle—Pay equity.
Daschle—Relevant.
Daschle—Relevant to anything.
Daschle—Relevant to anything.
Dodd—Child care.
Dorgan—Tax related.
Durbin—100% deductibility—self employed.
Durbin—Tax credit for small business.
Feingold—Medicare and Social Security solvency.
Feingold—Expansion of standard deduction.
Feingold—COBRO and percentage depletion allowance.
Feinstein—Paycheck fairness.
Hollings—Relevant.
Kennedy—Prescription drugs.
Kennedy—Health care—marriage penalty.
Kennedy—Equal pay.
Kohl—Child care tax credit.
Lautenberg—High speed rail tax credit.
Moynihan—Substitute.
Robb—Relevant.
Schumer—Tuition tax (with Biden and Snowe).
Torricelli—ALS.
Torricelli—Lead (with Reed).
Torricelli—Incresing deduction for casualty losses.
Torricelli—Marriage penalty for individuals suffering casualty losses.
Wellstone—Moratorium on Medicare cuts.
Wellstone—EITC expansion.
Reid—Relevant to anything.
Reid—Relevant.
Harkin—Relevant.
Harkin—Medicare.

Mr. LOTT. I further ask unanimous consent that all amendments be debated during Friday or Saturday's session of the Senate, and those amendments, both first- and second-degree amendments, may be laid aside for other amendments to be offered as deemed necessary by either leader.

I further ask consent that the votes ordered with respect to the amendments occur in a stacked sequence beginning at 6:15 p.m. on Monday, July 17, with 2 minutes prior to each vote for explanation, if it is requested of course, and all votes after the first vote in the sequence be limited to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object, I ask for one minor modification. With reference to either of the leaders, I suggest we add ''or designee,'' or ''a leader designee.''

Mr. LOTT. I think that is a reasonable request, Mr. President. I modify my request to that effect.

The PRESIDING OFFICER. Is there objection?

Mr. ABRAHAM. Mr. President, I noted I did not have an amendment on the list. I was wondering if I might add an Abraham relevant amendment on the list.

Mr. LOTT. I ask unanimous consent that, to the list of Republican amendments, a relevant amendment by Senator ABRAHAM be added.

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

Mr. LOTT. In light of this agreement then, Mr. President, there will be no further votes tonight. The next votes will occur at 9 a.m. on Friday in stacked sequence, with 9 or 10 back-to-back votes that could be required. I hope Senators will consider the possibility of not offering their amendments or agreeing to a voice vote, if there is any way possible to accommodate other Senators, so the sequence won't go on longer than a couple of hours.

Following those stacked votes on Friday, Members who have amendments to reconciliation and marriage penalty tax will have to stay around to offer and debate them. It can take up to as long as 20 hours. Senators who have amendments on these lists, if they want to offer them, need to be here to offer them and they need to make their case because there will not be an opportunity, other than the 2 minutes equally divided, to talk about the specifics on Monday night. So these votes will be stacked in sequence at 6:15 on Monday, July 17.

I thank again all my colleagues for their cooperation. I know this does not meet everybody's scheduling desires. I had actually hoped to be able to finish the marriage penalty tax tomorrow night or Saturday, but this agreement allows us to get it done, I think, in an efficient way, have it completed on Monday night, complete the Interior appropriations bill on Tuesday morning, and be prepared to go to the next appropriations bill after that.

I thank all Senators for their willingness to help us work through this. I yield the floor.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I allocate 5 minutes of my time under the previous agreement to the following Senators: Senator DODD, Senator KERRY, Senator HARKIN, Senator WELLSTONE, Senator BAYH, and Senator FEINGOLD. That will be 5 minutes each.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I ask unanimous consent that Senators INOUYE, SARBANES, DODD, and WELLSTONE be added as original cosponsors.

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

Mr. DASCHLE. Will the Senator from Massachusetts yield?

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I add to that request 5 minutes for Senator LIEBERMAN.

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

The Senator from Massachusetts.

AMENDMENT NO. 3839

(Purpose: To establish a National Housing Trust Fund in the Treasury of the United States to provide for the development of decent, safe, and affordable housing for low-income families)

Mr. KERRY. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY], for himself and Mr. SARBANES, Mr. INOUYE, Mr. DODD and Mr. WELLSTONE, proposes an amendment numbered 3839.

Mr. KERRY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. KERRY. Mr. President, I come to the floor today to offer an amendment to the estate tax repeal bill. This amendment would establish a National Affordable Housing Trust Fund to fill the growing gap in our ability to provide affordable housing in this country.

Over the past two decades, income and wealth disparities in our country have increased. The gap between the rich and the poor has widened. Even our robust economy has not been able to bridge the great divide between the haves and have-nots.

This great divide remains impassable for millions of Americans who struggle to survive on the minimum wage. This divide remains impassable for millions of Americans who have no health insurance, no prescription drug coverage. This divide remains impassable for millions of Americans who cannot afford housing, child care, or a college education, who cannot afford to even finish high school because they must drop out and work in order to support their family.

Despite the economic boom that heralded in the new millennium, poverty rates in our country have dropped only marginally. Today, 1 out of ever 5 children still lives in poverty, compared with 1 out of every 7 in the 1970s. The number of families living in extreme poverty—on less than $6,750 a year for a family of 3—has increased from 13.9 million in 1995 to 14.6 million in 1997. Over the 1990's, the average real income of high-income families grew by 15 percent, while average income grew by less than 2 percent for middle-income families and remained the same for the lowest-income families.

I ask, with the futures of so many lower- and middle-income Americans hanging in the balance, what is the majority in Congress doing? What is the majority in Congress defining as a top priority?

Would you believe a tax cut for the richest of the rich? Indeed they have. It is before us today. A tax break for the highest income earners in our country. A fiscally irresponsible tax cut which stands to threaten our non-Social Security surplus and undercut the critical investments we should be making in the future of all Americans.

According to the Joint Committee on Taxation, the Republican proposal to repeal the estate tax will cost $105 billion over the first 10 years, as it slowly phases in. Once the repeal has been fully implemented, it will cost an additional $50 billion each year. That comes out to roughly three-quarters of a trillion dollars over 20 years.

Three-quarters of a trillion dollars is a generous hand-out, Mr. President. But into exactly whose hands does it fall? Does it go to the senior citizen who has survived one heart attack only to find that she cannot afford her cholesterol lowering medication? Does it go to the decorated homeless veteran who cannot afford to put a roof over his head? Does it go to the graduating high school senior who cannot afford to pay tuition and be the first generation of his family to go to college?

The simple answer is no. The estate tax repeal would give the Forbes 400 richest Americans a windfall of $250 billion—that is enough to pay for prescription drug coverage, housing costs, and college scholarships for millions of Americans.

The majority's priorities are misguided, irresponsible, and an affront to the American public. Don't get me wrong; I support targeted estate tax relief for small businesses and family farms. Owners of small businesses and farms should neither be penalized for their success nor denied the opportunity to pass their family businesses on to future generations. And the Democratic alternative which I support would increase the exemption for family-owned small businesses and farms from $1.3 million to $4 million by 2001, and to $8 million by 2010. But the outright repeal proposed by the majority goes far beyond what is necessary to save family businesses and family farms.

Let's be clear: The majority is serious about one thing—unwise, unrealistic, and untenable tax cuts for the wealthiest Americans at a time when

the Federal tax burden has shrunk to its lowest level in four decades; at a time when low- and middle-income Americans are struggling to afford decent health care, housing, and education.

I ask my colleagues, does anyone really believe that Donald Trump, Bill Gates, or Steve Forbes needs a tax cut? Does anyone really believe that before doing anything to strengthen Social Security and Medicare, we should provide a tax break to the wealthiest 2 percent of Americans who control 40 percent of the wealth in this Nation? Apparently, the majority believes it. That is their idea of tax fairness: millions for the rich, not a penny for the middle class.

The bottom line is: the Republican proposal mortgages America's future. It threatens our ability to reduce interest rates and protect the economy, to help secure a strong Social Security system for our nation's retirees, to modernize Medicare by establishing a prescription drug benefit for seniors and the disabled, and to provide educational assistance for those that want to climb up the ladder.

There are many more worthwhile investments we could be making with the $750 billion this bill hands out to the extremely wealthy. I am offering an amendment to ensure that we make at least one of these critical investments—an investment in housing.

The booming economy is fueling rising housing costs. While housing prices and costs skyrocket at record pace, many families are unable to keep up. Even during this time of great economic expansion, the housing crisis in this country worsens, quickly becoming a national disgrace.

HUD estimates that 5.4 million low-income households have ''worst case'' housing needs. This means they are paying over half their income towards housing costs or living in severely substandard housing. In the past decade, the number of families who have ''worst case'' housing needs has increased by 12 percent—that's 600,000 more American families who cannot afford a decent and safe place to live. For these families living paycheck to paycheck, one unforseen circumstance, a sick child, a car repair bill, can send them into homelessness.

Another recent study actually estimates that 13.7 million households have critical housing needs, including 6 million working and 3.7 million elderly households.

Moreover, there is not one metropolitan area in the country where a person making minimum wage can afford to pay the rent for a two-bedroom apartment. A person needs to earn over $11 an hour to afford the median rent for a two bedroom apartment in this country. This figure rises dramatically in many metropolitan areas: an hourly wage of $22 is needed in San Francisco; $21 on Long Island; $17 in Boston; $16 in the D.C. area; $14 in Seattle and Chicago; and $13 in Atlanta.

We have to remember that there are real people behind these numbers—real people who are struggling to keep their families housed each month. The stories are a testament to the need for increased affordable housing. Let me give you a few.

On Cape Cod, Susan O'Donnell a mother of three, earns $21,000 a year working full-time. Nonetheless, she is forced to live in a campground because she can not find affordable housing. The campground she is living at has time limits, so the only way she is able to stay for a prolonged period of time is through cleaning the campground's toilets. When her time runs out at the campground, she will again be forced to move with her three children, though it is not clear where she will be able to afford to move. Skyrocketing housing costs have pushed her, and other full-time workers on the Cape out of their housing and into homelessness.

Janitors who work at high-tech companies in Silicon Valley are living in egregious conditions, including several large families living in single-family homes and others renting out garages for families to live in—garages which can cost $750 a month. Maria Godinez, of San Jose, works full time for Sun Microsystems making $8 an hour. She shares one bedroom of a single-family house with her husband and five children; 22 people live in that house.

Not too far from where we are today, in Fairfax County, VA, Anita Salathe and her two children live in a shelter despite her having a job and a voucher for assisted housing—there just are not enough affordable housing units. The homelessness rate in Fairfax County has increased by 21 percent in the last two years. Full-time workers are living in shelters because their paychecks are not rising fast enough to keep pace with their growing housing costs.

These stories are all too common. As housing costs rise around America, more working families are being pushed closer to homelessness.

Despite these abysmal stories, we have decreased Federal spending on critical housing programs over time. From fiscal year 1995 to fiscal year 1999, we engaged in what I call the ''Great HUDway Robbery,'' diverting or rescinding over $20 billion from Federal housing programs for other uses. With a few exceptions, the funding increases of this past year have gone primarily to cover the rising costs of serving existing assisted families.

Affordable housing units are being lost. Between 1993 and 1995, a loss of 900,000 rental units affordable to very low-income families occurred. From 1996 to 1998, there was a 19 percent reduction in the number of affordable housing units. This amounted to a dramatic reduction of 1.3 million affordable housing units available to low-income Americans.

We need to bring our levels of housing spending back up to where they belong. Between 1978 and 1995, the Government increased the number of households receiving housing assistance by almost 3 million. From 1978 through 1984, we provided an additional 230,000 families with housing assistance each year. This number dropped significantly to 126,000 additional households each year from 1985 to 1995.

If we hoped things could not get worse, in 1996 this nations' housing policy hit a brick wall. Not only was there no increase in families receive housing assistance, but the number of assisted units actually decreased. From 1996 to 1998, the number of HUD assisted households dropped by 51,000. In this time of rising rents and housing costs, and the loss of affordable housing units, it is incomprehensible that we are not doing more to bring the levels of housing assistance back from the dead.

It is high time that we focused on housing policies in Congress and around the country. Housing is an anchor for families. When we focus our efforts on other social issues like education and health care, it is beyond comprehension that housing does not take a front seat in these discussions.

It is no secret that neighborhood and living environment play enormous roles in shaping young lives. It should not be news that housing assistance, which helps a family maintain a stable home, is positive for low-income children. We know that a child can not learn if he has to attend 3 or 4 schools in a single year, if his family moves from relative to relative to friend to friend because his parents can't afford the rent.

A recent study conducted by Johns Hopkins University helps to show that housing assistance is beneficial. Housing assistance makes it easier to get and retain a job by providing stability. We need to ensure that every American family has these same opportunities. We need to address the lack of opportunity, the lack of affordable housing.

I am proposing to address this severe shortage of affordable housing by establishing a National Affordable Housing Trust Fund. While we are considering a bill which allows the wealthy to pass on large estates and homes to their families, let's ensure that all Americans can afford a place to live.

My proposal would create an affordable housing production program, ensuring that new rental units are built for those who most need assistance—extremely low-income families, including working families. In addition, Trust Fund assistance will be used to promote homeownership for low-income families, those families whose incomes are below 80 percent of the area median income.

The Trust Fund aims to create long-term affordable, mixed-income developments in areas with the greatest opportunities for low-income families.

A majority of assistance from the Trust Fund will be given out as matching grants to the States which will distribute funds on a competitive basis like the low-income housing tax credit. Localities, non-profits, developers and other entities will be eligible to apply for funds. The remaining 25 percent of the Trust Fund assistance will be distributed through a national competition to intermediaries, such as large, national non-profits which will be required to leverage private funds.

This proposal will bring Federal, State and private resources together to create needed affordable housing opportunities for American families.

When we allow families in this country to live in severely distressed housing, or in situations where they are forced to move from place to place, American children suffer—they have behavioral problems, they suffer from more health problems, and they do worse in school. I think the American people understand that helping children escape these problems today will pay us back tenfold in the years to come. I think the American people understand how we can measure what actually counts in America. I think they know that housing is more than a word or a government program—it is the quality of life—it is how we measure our lives and it is how we ought to take the measure of our nation.

I urge you to support this amendment which restores our commitment to providing affordable housing for all families. We should not vote to ensure that the wealthiest Americans can retain more of their incomes and estates, while turning our back on those families who struggle each month just to put a roof over their heads.

Mr. KENNEDY. Mr. President, I strongly support Senator KERRY's proposal to create a housing trust fund. In this period of strong economic growth and record expansion, the lack of affordable housing is an increasingly serious problem for millions of families across the country, especially low income families struggling to lift themselves out of poverty. Our national prosperity means less if firefighers, teachers, police officers, nurses, and many other hard-working Americans cannot afford to live in the communities where they work.

As long ago as 1949, the nation pledged safe, clean, decent housing for all Americans. As we begin a new century, this promise is still unfulfilled. Even worse we are not making even modest progress to achieve this goal.

The rising cost of housing is one of the most difficult challenges for many families. It is particularly serious for the elderly, many of whom also face the skyrocketing cost of prescription drugs as well.

In a period of economic prosperity such as the one we now enjoy, it is wrong that we have one of the lowest housing production levels in history. Affordable housing must be a higher priority for the Congress.

Over the past five years, more than $20 billion has either been rescinded or diverted by Congress from federal housing programs for other uses, while the number of Americans who cannot afford a decent place to live continues to rise.

The problem is particularly acute in Massachusetts. The average time on waiting lists for public housing and housing vouchers is over 3 years, and more than 13,000 families are on those waiting lists.

In the Greater Boston area, affordable housing is not only a problem for many families, it is becoming a problem for businesses. Many of the most successful companies report difficulties in their efforts to attract and retain employees because of the high cost of housing. Without an ability to retain a strong workforce, unaffordable housing threatens to undermine prosperity at every level, federal, state, and local.

The costs of new construction and rehabilitation of existing housing are very high. The price of owning a home is increasing faster in Massachusetts than in any other state in the country.

I support the Clinton's Administration's budget request of $32.5 billion for the Department of Housing and Urban Development for FY 2001, a 25 percent increase over FY 2000. By contrast, the budget adopted by the Republican Congress in April proposed a $400 million reduction in the HUD budget.

The Trust Fund proposed by this amendment is an important start to ending this period of disinvestment.

Senator KERRY's amendment will provide funds for new units and for the renovation of existing units, along with increases in ownership. It channels money through local and state governments, primarily to already established programs with a track record of success. The majority of Trust Fund assistance will be used for the neediest families, including the working poor.

As we debate the misguided priority of massive tax relief for the wealthiest 2 percent of estates, I urge my colleagues instead to consider the needs of millions of families who are working hard, but who find it increasingly difficult to afford housing for their families.

I urge the Senate to support this amendment. Housing must be a higher priority for Congress. The time to act is now.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAMM. Mr. President, how much time do I have?

The PRESIDING OFFICER. Five minutes in opposition.

Mr. GRAMM. Mr. President, I will be brief in my 5 minutes.

First, I know the Senator from Massachusetts is sincere about this amendment, but I remind my colleagues of a few key points. We are here to repeal the death tax. All over America, families work, sacrifice, save, and through sweat equity build up businesses, farms, and assets. Then they die, and the Government, because they die, taxes their life's work even though they paid taxes on every dollar they earned. Too often in America, their children have to sell the farm or sell the business to give the Government up to 55 cents out of every dollar they earn. Republicans believe that is unfair, that is un-American, and that is immoral.

Our colleague from Massachusetts calls getting rid of this tax a windfall. If your parents worked a lifetime to build up a farm, and they were there when it was dry and they had droughts, they were there when there were floods and when the hail killed the crops, and they saved and sacrificed, and they did it so their children could some day run that farm, I do not call that a windfall. That is just a fundamental difference in philosophy.

There are two big-time problems with this amendment. No. 1, it sets up this new trust fund not out of taxes that were raised to pay for this activity but basically by requiring people to sell off the family farm or sell off the family business to fund this trust fund.

The second problem is, there is no point of order against it. One might ask why is that true of amendments that have been offered that spend money. It is true because this amendment takes $5 billion that the Finance Committee was allocated to do something else with. For what were they allocated the money? They were allocated the money to repeal the marriage penalty for people who receive the earned-income tax credit. That is what this $5 billion was for.

A janitor with three children meets a waitress with two children. They fall in love, and they find the solution to their problems. Only, under the marriage penalty, they both end up losing the earned-income tax credit, and they end up in the 28-percent tax bracket if they get married.

We are planning to use the $5 billion that Senator KERRY would use to fund this trust fund to repeal the marriage penalty for the lowest income individuals to be sure they do not lose their earned-income tax credit if they meet, fall in love, and get married.

Senator KERRY is trying to do a very good thing, but unfortunately there is something I think is of a higher order: repealing the marriage penalty for poor people and not taking away their earned-income tax credit. Senator KERRY is inadvertently taking this money from that purpose.

So ultimately you come down to choices. The choice he would make is:

Sell the family farm, sell the family business, and let the Government have that money; and, secondly, the money you were going to take—that $5 billion that we gave the Finance Committee in the budget to repeal the marriage penalty for low-income people, by changing the earned-income tax credit, where they do not lose it if they get married to somebody who also works—the net result of this is, sell the farm, sell the business, and take away the earned-income tax credit from the janitor and the waitress who have a total of five children, who met, fell in love, wanted to get married, and who saw it as a solution to their problem. But Senator KERRY will be sure they get subsidized housing. I do not think it is a good swap. I do not think it is a good trade. So on another day, on another issue maybe, but not today.

Finally, let me remind my colleagues, if they are worried about housing—and we would be if we did not have a house—that we have a $1.9 billion increase in the 2000 budget for housing, $25.9 billion for the Department of Housing and Urban Development—and that is a 7-percent increase. Very few families in America had a 7-percent increase in their income last year.

So it is a good amendment—well-intended—but we should reject it.

The PRESIDING OFFICER (Mr. ASHCROFT). The time of the Senator has expired.

Mr. KERRY. Does the Senator from Texas have any time left?

The PRESIDING OFFICER. All time has expired.

AMENDMENT NO. 3838

(Purpose: To provide for the designation of renewal communities and to provide tax incentives relating to such communities, to provide a tax credit to taxpayers investing in entities seeking to provide capital to create new markets in low-income communities, and to provide for the establishment of Individual Development Accounts (IDAs), and for other purposes)

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I call up amendment No. 3838.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for himself, Mr. LIEBERMAN, Mr. ABRAHAM, Mr. HUTCHINSON, Mr. TORRICELLI, Mr. DEWINE, Mr. KOHL, Ms. LANDRIEU, and Mr. KERRY, proposes an amendment numbered 3838.

Mr. SANTORUM. I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. SANTORUM. Mr. President, the amendment that we have now before us is a package of legislation that I have been working on with my colleague from Connecticut, Senator LIEBERMAN, as well as Senator KERRY from Massachusetts, and Senator ABRAHAM, Senator KOHL, Senator HUTCHINSON, Senator TORRICELLI, and Senator DEWINE.

Mr. President, I ask unanimous consent to add Senators ASHCROFT and COLLINS as cosponsors to the amendment.

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

Mr. SANTORUM. This is a bipartisan attempt in the Senate to match the bipartisan effort that has been ongoing in the House of Representatives with the President of the United States on what is called the Community Renewal New Markets Initiative. Basically, we have taken the House-passed legislation and added a couple of very important provisions to that House-passed legislation, and we are now offering it to this death tax repeal legislation in the Senate.

The two major additions to the House-passed legislation—there are several, but the two major additions are the low-income housing tax credit, which is something that has passed this body before, and again has broad bipartisan support, raising the per capita number or allotment for the low-income housing tax credit per State; and the second is something that Senator LIEBERMAN and I have been working on now for quite some time called individual development accounts.

I think these two key provisions are very important to the idea of empowering individuals, not only in their communities, which the community renewal package does, but also in providing the opportunity for wealth accumulation through individual development accounts, and providing that incentive to save for a home, to save for a college education, to save for the startup of a new business.

In addition, there are some other very important provisions. Earlier this year, Senator ABRAHAM offered the New Millennium Classroom Act, another addition to the House-passed bill, which provides incentives for businesses to donate money to poorer schools, so we can have computer equipment in those poorer schools to bridge the digital divide.

We have a charitable choice provision, which is broader than the House provision, which was introduced by Senator ASHCROFT, the Presiding Officer, that is in line, frankly.

I was reading Vice President GORE's speech that he gave last year where he talked about a ''New Partnership.'' He talked about the 1996 welfare reform bill. He said:

[This provision states] that states can enlist faith-based organizations to provide basic welfare services, and help move people from welfare to work.

He goes on to say:

They can do so with public funds—and without having to alter the religious character that is so often the key to their effectiveness.

I go on to quote:

I believe we should extend this carefully tailored approach to other vital services where faith-based organizations can play a role—such as drug treatment, homelessness, and youth violence prevention.

That is just to name a few.

So what we see is that the Vice President has embraced this charitable choice provision and an expansion of that, which I think is vitally important.

With that, Mr. President, I reserve the remainder of my time.

Mr. ABRAHAM. Mr. President. I rise to support the American Community Renewal and New Markets Empowerment Amendment offered by Senators SANTORUM, LIEBERMAN, KERREY, myself and others.

This amendment represents a bipartisan effort designed to address the social and economic ills which are preventing our poorest areas from participating in the current economic boom. I strongly believe that it will go a long way toward bringing the economic growth and sense of community necessary to maintain, safe streets, strong families, and thriving neighborhoods.

Under this legislation, 50 new Renewal Communities—one for each state—would be created. Characterized by pervasive poverty, Renewal Communities provide financial incentives to promote economic growth and social health in distressed areas.

Incentives include: a zero capital gains rate, increased expensing of equipment costs for small businesses, employment wage credit for hiring Renewal Community Residents and an extension of the Brownfields provision.

In addition, our amendment would increase housing opportunities nationwide for poorer families by increasing and indexing for inflation the Low Income Housing Tax Credit and the volume caps on Private Activity Bonds.

Since implemented in 1986, thanks to the Low Income Housing Tax Credit, in Michigan, 27,000 housing units have gone up. Nationally, the credit is responsible for one million apartments dedicated to low-income tenants at restricted rents.

Mr. President, increasing the volume cap on private activity bonds will help finance thousands of single and multifamily mortgages and property improvement loans.

The legislation also calls for the establishment of Individual Development Accounts to help the working poor build financial assets.

The IDAs in this bill apply this concept nationally, giving all families the opportunity to buy a home, further their education or start up a new business.

The amendment also includes the faith-based treatment and charitable choice provisions will continue the

work started in the 1996 Welfare Reform bill.

Religious-based organizations will be able to compete on equal grounds with non-religious organizations. This will allow them to provide drug and alcohol treatment and other welfare-related services without compromising the religious nature of their treatment or organization.

The creation of privately managed, for-profit companies and the New Markets tax credit will provide the financial security necessary to bring investment to communities which would otherwise be considered too high-risk.

Finally, Mr. President, this amendment includes the New Millennium Classrooms Act, which would help address the issue of the digital divide, providing tax incentives to companies to increase the amount of computer and related technology donations to qualified recipients in designated poor areas.

To increase the amount of technology donated to schools, libraries, senior centers and vocational education centers in economically disadvantaged areas, the New Millennium Classrooms Act would expand the parameters of the current tax deduction and add a tax credit.

Introduced as the New Millennium Classrooms Act in March, 1999, this legislation has the support of 32 cosponsors and most recently passed as an amendment to the Affordable Education Act, on a vote of 96–2.

Despite the recent gains made in increasing the level of computers and technology in schools, unacceptable disparities still exist.

Schools with greater numbers of poor and minority students simply do not have the same access to the Internet and computer technology as wealthier schools and schools with lower minority enrollment.

If our poorer communities are to truly experience a complete and long-term economic rejuvenation, their residents must have access and instruction in information technologies.

Many Americans—particularly those with less income and education—are still missing out on the digital age. More and more, everyday activities migrate to the Internet. Unless we act now, the gap in opportunities available to those on the other side of the digital divide will continue to increase.

I hope that my colleagues will support this amendment to provide real hope and opportunity for all Americans.

Mr. KERRY. Mr. President, I want to speak briefly about the Santorum/Lieberman amendment being offered to the Estate Tax bill. This amendment gives the Senate the opportunity to vote on broad economic development policies originally introduced a few weeks ago as S. 2779, the American Community Renewal and New Markets Empowerment Act.

Of the many important and innovative provisions in this legislation, I would like to focus on the community development and venture capital initiative and full funding for Round II of Empowerment Zones. Mr. President, as my colleagues may remember last year I introduced the Community Development and Venture Capital Act. The purpose of community development and venture capital is to stimulate economic development through public-private partnerships that invest venture capital in smaller businesses. Not just any small businesses, but those that are located in impoverished rural and urban areas, known as new markets, or that employ low-income people. We call these areas new markets because of the overlooked business opportunities. According to Michael Porter, a respected professor at Harvard and business analyst who has written extensively on competitiveness, ''. . . inner cities are the largest underserved market in America, with many tens of billions of dollars of unmet consumer and business demand.''

Both innovative and fiscally sound, my new markets initiative is financially structured similar to Small Business Administration (SBA)'s successful Small Business Investment Company (SBIC) program, and incorporates a technical assistance component similar to that successfully used in SBA's microloan program. However, unlike the SBIC program which focuses solely on small businesses with high-growth potential and claims successes such as Staples and Calaway Golf, the New Markets Venture Capital program will focus on smaller businesses that show promise of financial and social returns, such as jobs—what we call a ''double bottomline.''

To get at the complex and deep-rooted economic problems in new market areas, my initiative has three parts: a venture capital program to funnel investment money into our poorest communities, a program to expand the number of venture capital firms that are devoted to investing in such communities, and a mentoring program to link established, successful businesses with businesses and entrepreneurs in stagnant or deteriorating communities in order to facilitate the learning curve.

What I'm trying to do as Ranking Member of the Small Business Committee, and have been working with the SBA to achieve, is expand investment in our neediest communities by building on the economic activity created by loans. I think one of the most effective ways to do that is to spur venture capital investment in our neediest communities.

Building on part of the President's and Speaker HASTERT's agreement, this amendment secures full, mandatory funding for Round II empowerment zones. In Massachusetts—specifically Boston—this amounts to a little more than $93 million. Now, I know many of my colleagues are in the same boat because they have empowerment zones in their states—Ohio, South Carolina, Florida, California—but let me just give you the history of why this funding is so important. Funding for Round II empowerment zones started in 1998. So far, however, the money has dribbled in—only $6.6 million of the $100 million authorized over ten years—and made it impossible for Boston, and other empowerment zones, to implement its plan for economic self-sufficiency. In Boston, 80 public and private entities, from universities to technology companies to banks to local government, showed incredible community spirit and committed to matching the EZ money, eight to one. Let me say it another way—these groups agreed to match the $100 million in Federal Empowerment Zone money with $800 million. Yet, and regrettably so, in spite of this incredible alliance, the city of Boston has not been able to tap into that leveraged money and implement the strategic plan because Congress hasn't held its part of the bargain. I am extremely pleased that we were able to find a way to provide full, steady funding to these zones. That money means education, daycare, transportation and basic health care in areas—in Massachusetts that includes 57,000 residents who live in Roxbury, Dorchester and Mattipan—where almost 50 percent of the children are living in poverty and nearly half the residents over 25 don't even have a high school diploma.

Mr. President, this bill goes further than funding empowerment zones and establishing incentives to attract venture capital into distressed communities. It enhances education opportunities, creates individual development accounts to help low-income families save and invest in their future, increases affordable housing, improves access to technology in our classrooms and creates incentives to help communities remediate brownfields.

I thank my colleagues for their work on this legislation.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I rise to speak in support of the amendment which I have cosponsored with the Senator from Pennsylvania, using the 5 minutes that have been generously allocated to me by the Democratic leader.

I am proud today to join with a distinguished and diverse coalition of Senators—Senators SANTORUM, ABRAHAM, HUTCHINSON, and DEWINE; and my fellow Democrats, Senators KOHL, KERRY, TORRICELLI, and LANDRIEU—in offering this amendment which we believe is a groundbreaking package to help low-income Americans into the economic mainstream. This is a truly bipartisan approach to bring economic

revitalization to American communities and families.

The truth is that we could not have broken this ground if we did not first find common ground. For that we are grateful for the leadership of President Clinton and Speaker HASTERT, who reached across the partisan divide to make this project a top priority.

I think the amendment that we offer today is a model of cooperation and innovation. It combines much of the President's new markets initiative with the Republican-initiated American Community Renewal Act, and blends them into a progressive new synthesis for stimulating investment, entrepreneurship, and economic opportunity in poorer parts of our country.

This bill encompasses the range of the Clinton-Hastert plan with a few key additions which we think will make an outstanding package even better.

One important addition is aimed at fixing America's asset liability or, to be more precise, closing the growing gap in asset ownership in this country which separates millions of low-income Americans from their fair shot at the American dream.

We believe that one of the best ways to help close this gap is to promote the use of individual development accounts, known as IDAs. Banks and credit unions that offer these special savings accounts match the deposits dollar-for-dollar, and in return account holders commit to use the proceeds to buy a home, upgrade their education, or start a business, in other words, to build assets.

The only problem with IDA programs that I see is that there are not enough of them. This addition to the Clinton-Hastert proposal will now provide the support to make that happen.

Another important addition to this package, that, again, reflects bipartisan cooperation in support of economically distressed communities, is the full funding of the existing 20 second round empowerment zones.

We believe this amendment reaffirms and reinforces some old American ideals, including strengthening communities, rewarding work, and encouraging responsibility.

I would say, in developing this package, and in offering it as an amendment today, it is our primary objective to continue working in a bipartisan manner. To that end, Senator SANTORUM, and I, along with the other cosponsors, recognize the need to continue a dialog on the charitable choice expansion provisions in this package.

Specifically, we are prepared to work to narrow the scope of the expansion to a limited number of appropriate programs, building on the charitable choice precedent that Congress established in TANF, the welfare-to-work programs, in welfare reform.

I also understand that some of my colleagues, and others, have expressed concern about the provision that would allow groups receiving Federal money to require their employees to adhere to the ''religious tenets and teachings of the organizations'' provisions. I understand their concerns and look forward to working with them as this bill, hopefully, receives independent consideration.

There is too much good in this proposal that has broad bipartisan support that will be fundamentally helpful to poor people in communities in America to have the proposal fail for one or two relatively small parts of it.

So I say to my colleagues that we are committed to working with Members from both sides of the aisle, with the administration, and with those community-based and faith-based organizations in the field, working in these communities, to come up with an agreement that can be passed and signed into law by the President this year.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I thank my friend and colleague from Connecticut for his words. I regret to say that I rise in opposition to the new markets initiative as it is currently structured. I agree with the Senator from Connecticut. With additional work, we can find common ground. It is critically important that we pass a new markets initiative. My staff has been working for some time with several other offices on a bill that reflects the compromise the President and the Speaker entered into. This bill is going to be dropped next week, and I welcome input from all offices on both sides of the aisle.

This is complicated tax policy, and it ought to go through the Finance Committee. We ought to have a hearing. In the House, the Committee on Ways and Means is working a bill to mark up, and we ought to be doing the same thing.

I regret that the characterization of this bill is one that I cannot agree with at this particular moment. It seems to me it adds too much to the renewal communities at the expense of the already established empowerment zones.

Most importantly, the legislation as it is currently drafted would allow every recipient of Federal grant funds to discriminate against those they hire based on the applicant's religion. This Chamber has fought for the last 40 years to eliminate discrimination. I simply cannot support legislation that turns back the clock.

With that, I yield such time as I have remaining to the distinguished Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I rise to join Senator ROBB in opposing the Santorum-Lieberman amendment. I support the new markets initiative promoted by the President and Speaker HASTERT, but I think it is important for my colleagues to understand that this amendment is not the President's initiative. No one is arguing against reform, not at all. But to introduce a factor that permits religious discrimination—it does do that—to enter into these evaluations as to who can participate, will we see a sign that says ''no people of this faith allowed'' or ''only people of that faith allowed.'' I hardly think that is an improvement, regardless of the fact that there may be some modest, or perhaps more than that, improvements made in the way the new markets initiative operates.

The fact is, we should not be introducing an opportunity to discriminate against one group or another, not to set religious boundaries on how an organization performs these services, how they encourage people to strike out for themselves and to be able to make a living on their own.

I hope our colleagues will examine this amendment seriously. Hidden in the good that it is doing is some, I would call, possible serious evil. We ought not to be, in this Chamber, saluting the ability of organizations to discriminate against one person or another based on their religious preferences.

With that, I hope we will not support this amendment.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. ROBB. Mr. President, all time having been yielded back on this particular amendment, I raise a point of order that the pending amendment would decrease Social Security surpluses.

The PRESIDING OFFICER. The Chair informs the Senator from Virginia that the Senator from Pennsylvania has time remaining.

Mr. ROBB. I apologize. I thought the Senator from Pennsylvania had completed his presentation. I will withhold until he has completed his presentation.

Mr. SANTORUM. Mr. President, I yield 45 seconds to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. I thank the Chair.

Mr. President, I rise in support of this amendment. I am a cosponsor of the legislation that it embodies. I believe this is the kind of direction we should pursue to try to revitalize parts of this country which require assistance to be completed on parts of our overall economic progress and growth as a Nation.

I am particularly pleased that included in this is our new millenniums classroom component which will make it far easier for schools in this country to gain access to the computer technology they need to make sure that the

digital divide, as we call it, is closed, so that opportunities for people to gain the training and skills they need with respect to our new high-tech world will be available to them.

I compliment the Senator from Pennsylvania and the Senator from Connecticut for their work on this and look forward to working with them to secure its ultimate passage and enactment.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I have two final comments. I want to mention some of the people who today let us know that they are supporting this amendment: The National Association of Home Builders, the Chamber of Commerce, the Credit Union National Association, American Bar Association, the Corporation for Enterprise Development, to name a few.

With regard to the charitable choice language, I certainly understand the concerns. The Vice President, the nominee of the Democratic Party, does not share the concerns voiced by many Members on the other side. I understand the White House has some concerns about the breadth of programs covered.

I said to Secretary Sperling, I am very willing to negotiate those and put a list together and limit those covered, but the charitable choice provisions are very broadly supported, I must say.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Virginia.

Mr. ROBB. Mr. President, all time now having expired, I raise a point of order that the pending amendment would decrease Social Security surpluses and therefore violates section 311(a)(2)(B) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I move to waive the Budget Act.

The PRESIDING OFFICER. The question will be placed in the stacked votes for tomorrow.

Mr. SANTORUM. Mr. President, I ask for the yeas and nays on that.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

AMENDMENT NO. 3837

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, to increase, expand, and simplify the child and dependent care tax credit, to expand the adoption credit for special needs children, to provide incentives for employer-provided child care, and for other purposes)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Mr. WELLSTONE, Ms. LANDRIEU, Mr. KOHL, and Mr. KENNEDY, proposes an amendment numbered 3837.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DODD. Mr. President, this is the child care tax credit and related issues amendment. I offer this amendment on behalf of myself, my colleague from Minnesota, Senator WELLSTONE, my colleague from Louisiana, Senator LANDRIEU, Senator KOHL of Wisconsin, Senator KENNEDY, and others who may be interested in supporting this.

This is an amendment we have discussed and debated in the past. It would expand the current dependent care tax credit to allow parents to claim credit for a greater percentage of their child care expenses. The amendment would also make this credit refundable so that low-income families who have child care bills but little or no tax liability can benefit. The amendment also extends the refundable tax credit to stay-at-home parents.

This amendment reaches across the entire spectrum of family situations, recognizing the tremendous burdens that parents today are facing.

I ask unanimous consent that an article that appeared on July 6 in the Washington Post, entitled ''A Cost Squeeze in Child Care; Families Wonder Where the Aid Is,'' be printed in the RECORD.

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

A COST SQUEEZE IN CHILD CARE: FAMILIES WONDER WHERE THE AID IS

(By Dale Russakoff)

Debra Harris, a single mother, quit her $34,000-a-year job as an occupational therapist for the summer because she can't afford full-time care for her two children.

Kathy Popino, a receptionist, and her electrician husband have gone into debt to keep their toddler and 8-year-old in child care at the YMCA, after a bad experience with a lower-priced home caregiver.

Mary O'Mara, a computer network administrator, and her husband, a factory worker, have junked the conventional wisdom of ''pay your mortgage first.'' They sometimes pay a late fee on their home loan to cover child care first, lest they lose coveted spaces in a center they trust.

Child care is in slow-motion crisis for middle-income families, and Middlesex County, N.J., is in the thick of it. With three of four mothers working outside the home-near the national average—this swath of suburbs dramatizes the cost of working families of the national political consensus that child care is a private, not public, responsibility.

For 30 years, politicians have promised to shift the burden for families in the middle, and with little result. Vice President Gore recently called for tens of billions of dollars in spending and tax breaks over a decade to improve care from infancy through adolescence—a proposal advocates called impressive in its reach, but short on resources and details.

Texas Gov. George W. Bush has proposed initiatives only for the poor, saying working families can apply his proposed income tax cut to child care bills.

Would-be beneficiaries here had a feeling they'd heard that before. ''I was so hopeful when the Clintons came in,'' said Popino, 34. ''I saw Hillary as a working mom's best friend. I remember she said, 'It takes a village.' Okay, it's been eight years. When are they going to get to my village?''

The politics of welfare reform has focused national attention and money on the vast child care needs of women in poverty, which remain unmet. And the economic boom is helping affluent families pay full-time nannies or the $800- to $1,000-a-month fees at new, high-quality centers.

But with a record 64 percent of mothers of preschoolers now employed, and day care ranked by the Census Bureau as the biggest expense of young families after food and housing, officials say middle-income families routinely are priced out of licensed centers and homes. The median income for families with two children is $45,500 annually, according to the Census Bureau.

''Basically, we have a market that isn't working,'' said Lynn White, executive director of the National Child Care Association, which represents 7,000 providers.

In a booming economy in which almost any job pays better, day care centers now lose a third to more than half of their staffs each year, and licensed home caregivers have quit in droves, according to national surveys.

The average starting wage for assistant day care teachers nationally rose 1 cent in eight years—to $6 an hour. Weekly tuition at centers in six cities rose 19 percent to 83 percent in the same period, as states tightened regulations.

Most industrialized countries invested heavily in early-childhood care as women surged into the work force in the 1970s, but Congress and a succession of presidents left the system here mostly to the marketplace, directly subsidizing only the poorest of the poor.

A federal child care tax credit, enacted in 1976, saves working families $3 billion, but advocates say it has fallen far behind inflation. (It saved Debra Harris $980 last year, leaving her cost at more than $7,000.)

When the military faced the same crisis of quality, affordability and supply a decade ago, Congress took a strikingly different approach. It financed a multibillion-dollar reform in the name of retaining top recruits and investing in future ones.

The result was a system of tightly enforced, high-quality standards for day care, home care and before- and after-school care. It included continual training of workers and more generous pay and benefits.

Advocates hail the system as a model. With 200,000 children in care, it costs an average of $7,200 a child, which the government subsidizes by income.

''The best chance a family has to be guaranteed affordable and high-quality care in this country is to join the military,'' concluded an analysis by the National Women's Law Center.

Debra Harris used to drop her kids at Pumpkin Patch Child Development Center in

working-class Avenel every morning at 7 in a weathered Ford Escort. She popped buttered bagels in the center's microwave for their breakfasts before heading to Jersey City, where she was a school occupational therapist.

A bus took, Whitney, 9, and Frankie, 7, to school and brought them back at day's end to Pumpkin Patch, which they complained was cramped and a bit boring. Their mother considered it the safest and best care she could afford.

This summer, though, Whitney and Frankie's needs would have grown from before- and after-school care (total: $440 a month) to full-day care at Pumpkin Patch's camp (total: $1,400 a month). Harris recently went back over the math, incredulous at the results.

''I can make $25 an hour on a per-diem basis,'' she said. ''If I work 40 hours a week, that's $4,000 a month, $3,200 after taxes. If I take out $1,400 for my mortgage and $1,400 for full-time day care, that leaves $400—$100 a week to buy food and gas, pay bills, go to the shore on the weekend. This is crazy!''

So Harris decided to quit her job for the summer, find part-time work and draw down her savings.

At 30, Harris prides herself on providing for her children ''without ever using the welfare system, thank God,'' despite difficulties that include an ex-husband who is more than $6,000 behind in child support, according to her records.

Child care was easier when she was married, and not just because of her husband's paycheck, Harris said. Early in their marriage, they were stationed in Germany with the Air Force and had access to German-subsidized child care. They paid $40 a month per child for full-time care in a stately, 19th-century building within walking distance of their home.

''I find it really discouraging that my own government says I shouldn't need help with child care,'' Harris said. ''Now is when I really need some help.''

The first time Washington tried to help—and failed—was 1971. Congress passed a $2 billion program to help communities develop child care for working families, but President Richard M. Nixon vetoed it as ill-conceived, writing in his veto message that it would ''commit the vast moral authority of the National Government to the side of communal approaches to child-rearing over . . . the family-centered approach.''

Mothers of school-age children kept going to work anyway. In 1947, 27 percent were employed at least part time; in 1960, it was 43 percent; in 1980, 64 percent; in 1998, 78 percent. State governments took the lead in setting child care standards, which vary dramatically, as do fees and quality.

In the late 1980s, with the number of children in care surging, Congress again took up the cause of middle-income as well as poor families. The resulting Act for Better Childcare, signed by then-President George Bush in 1990, vastly increased aid to the poor, whose needs were the most urgent. But middle-income families were left out.

Poor families' needs became even more pressing in 1996 with the passage of welfare reform, which sent women from assistance rolls to the work force. A federal child care block grant aimed at families making up to 85 percent of a state's median income is going overwhelmingly to families in or near poverty, reaching only 1 in 10 eligible children, according to the U.S. Department of Health and Human Services.

In 1998, President Clinton moved to expand the child care tax credit but was blocked by Republicans who said it slighted mothers who stayed home with their children.

This election year could be different, several analysts said. Although most voters care less about child care than Social Security and taxes, the issue rates highest with women younger than 50, particularly those under 30, a crucial voting bloc for both Bush and Gore.

Unlike 1996, when these women were solidly for Clinton, their concerns now have political cachet, according to Andrew Kohut of the Pew Research Center for the People and the Press.

At the same time, advocates are linking quality child care to school readiness, hoping to tap into the national focus on education. They emphasize that the government subsidizes higher education for all families, but not ''early ed,'' as they call child care, which hits young families, who have fewer resources.

Another political impetus comes from recen reports of the U.S. military program's success. Newspaper editorials in almost every region of the country asked why the civilian world can't have the same quality child care.

Kathy Popino has been asking for years. Her husband, Warren, was in the Coast Guard when their son, Matthew, was born, and they paid $75 a month—subsidized by the Department of Defense—to a home caregiver trained by the DOD. ''She was wonderful. The military inspected all the time,'' Popino said.

When Warren left the Coast Guard to become an electrican, they moved to Metuchen, N.J., but couldn't find licensed care at even twice that price. They opted for an unlicensed home caregiver who cared for Matthew for $80 a month, along with two other children.

But Matthew, then 2, began crying nights, and ''his personality did a 180,'' Kathy said. Unable to sleep herself or concentrate at work, Kathy moved him to a state-of-the-art KinderCare Learning Center they couldn't afford. ''Visa became our best friend,'' she said.

Ultimately, they moved him to the YMCA, where they now pay about $800 a month for high-quality, full-time care for Gillian, 1½, and after-school care for Matthew, 8. The program there includes weekly swim lessons, daily sports and homework help in spacious, sun-filled rooms.

In the process, Popino has developed a keen class consciousness. ''When summer camp starts, you pay every Monday, and everybody who pays with credit cards walks out to our used cars we owe money on. The people paying by check walk out and get in their new Lexus,'' she said.

The Y's fees are lower than prices at similar, for-profit centers, but cost pressures are rising as the labor market tightens. Child care director Rose Cushing said turnover rates are well over 30 percent, even with the agency paying health benefits to its teachers.

Twenty minutes south on U.S. Route 1, at Pumpkin Patch, where fees, teacher pay and the facilities are more modest, proprietor Michelle Alling has held on to four of her head teachers for five years, mainly because of their loyalty to the children.

On a recent morning, as one teacher baked chocolate-chip cookies with flour-blotched 3- and 4-year-olds, Alling acknowledged that they all desperately needed higher wages.

But ''then you have families literally handing you their entire paycheck,'' she said, ''and where does it come from?''

Mary O'Mara, the mother who sometimes makes ends meet by paying late fees on her mortgage, said politicians who look past this issue must live in a different world than hers. She wishes she could show them what she showed her mother, who used to tell her to relax and stay home with her children.

''I sat her down with a calculator, and I gave her a month's worth of bills—food, mortgage, child care, gasoline,'' O'Mara said. ''There was almost nothing left, and that's with two middle-class incomes.

''She looked at me like she didn't believe it. She said, 'I didn't realize how tough it was out there.' ''

Mr. DODD. I won't read the entire article, but it cites case after case after case of middle and lower-income families being squeezed every single day to trying to handle the cost of child care, particularly for infants.

One mother says: I could make $25 dollars an hour on a per diem basis. If I worked 40 hours a week, that is $4,000 a month, $3,200 after taxes.

If I take out $1,400 for my mortgage and $1,400 for full-time day care, that leaves $400—$100 a week to buy food, gas, and pay bills for my family. Most families simply can not get by on that. I will put up a quick chart for colleagues to peruse. It lays out the costs of child care in various cities in the country. For example, infant care in Boston is over $11,000 a year. If you are a parent earning $30,000 a year and have a 1-year-old and a 3-year-old, you are spending from a third to a half of your income on child care. That is before you try to pay the rent and put food on the table.

The current child care tax credit helps, but not as much as it could for the reality of the child care market. The maximum a family can claim is $720 a year for one child. Double that for two. That is not an insignificant amount, but it is not enough to make up the $8,000 child care bill that a middle-income family can be paying.

By making this credit refundable, families with incomes around $20,000 or less can benefit. If you are in that income level, you have little or no tax liability—making the tax credit refundable is the only way you can help these families.

I emphasize again that under this amendment, stay-at-home parents with children under the age of 1 could claim a credit of up to $500. This new credit would also be refundable. So here we are dealing with stay-at-home parents, working parents, and, as my colleague from Louisiana will shortly point out, dealing also with adoption issues. Also, Senator KOHL has included in this amendment a provision to deal with employers and incentives for them to offer better child care for employees.

Here we are in the midst of this bill which will provide help to 44,000 Americans. That is the universe that is going to be benefited by this. In contrast, this amendment would help 8 million families. Choose up sides: 44,000 people who will pay an estate tax, or 8 million

working people who have incomes in that $20,000 $30,000, $40,000, $50,000 range—the expansion of the credit goes to families under $60,000. These are middle-income families in America, with young kids, trying to pay child care.

I will end on this note. I was at a hospital in Baltimore today. I took a family member there. A woman was talking to a fellow employee, and I overheard the conversation. She thought she got the best break in the world. She figured out that for one of her two children—she couldn't afford to send both—child care would be $100 a week. That is $400 a month for that one child. But she can't send both, not as a working mother who earns around $20,000.

We ought to be able to do better. If we are going to provide tax relief for 44,000 of the wealthiest Americans, why don't we try to do something good here for the working families, as Senator SNOWE and other Members have proposed in the past? The Expanding and making the dependent care tax credit refundable would really make a difference for the 8 million working families who have true child care needs. I have raised this issue on countless occasions. This is an opportunity to do something about it.

I yield to my colleagues.

Mr. WELLSTONE. Mr. President, how much time do we have left?

The PRESIDING OFFICER. The Senator from Minnesota is recognized, and there are 4 minutes 15 seconds remaining.

Mr. WELLSTONE. Mr. President, one thing about this god-awful process is there is not enough time to talk about this legislation. I will take less than 2 minutes, and my colleague from Louisiana will have 2 minutes.

Senator DODD outlined this amendment. Both of us have worked in this area. I think making this tax credit refundable is hugely important. I think the fact that some of the money applies to parents who are at home is hugely important. I think going up from $10,000 to $30,000 and then up from $30,000 to $60,000 cuts across a broad section of the population.

I have no doubt that 99.9 percent of the people in Minnesota, if given the choice between the tax break our Republican colleagues are talking about, the estate tax break that goes to the wealthiest 2 or 3 percent of the population, versus a focus on helping families with child care expenses, working families and low-income families—I want to use that label as well—would say let's put the money into child care. That is what this amendment calls for.

This is just a matter of priorities. It is just crazy to be talking about this giveaway to the wealthiest 2 or 3 percent and not making the investment in affordable child care for families in our States.

I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Ms. LANDRIEU. Mr. President, I am proud to join my colleague tonight to discuss an important amendment. Let me just talk about the underlying amendment for just a moment.

There were 523 families in Louisiana who paid the estate tax last year. I am one of the nine Democrats who are willing to talk about some significant relief because some parts of the tax are clearly unfair, and the Democratic alternative we have offered, I am convinced, would help bring relief to many of those families who have small businesses and family farms.

To go where the Republican leadership in the House wants to take us would lead us to a place where we can't provide any help to many other families—as my colleague pointed out, the 8 million middle-income families who need help with child care—and we could not provide for the businesses across this Nation. Small business is struggling. Tax relief for health insurance is something which our colleague from Illinois has championed on many occasions. We could not expand the earned-income tax credit.

So let's try to be fair in this debate and give some estate tax relief and give us some opportunities to do other things.

In my last minute, that brings me to my point on the adoption tax credit. Americans, in record numbers, are opening their hearts and homes to more children. Last year, 100,000 American families opened their hearts and homes to children throughout the United States and from abroad.

Several years ago, Congress gave an important tax credit of $5,000. This amendment will extend that tax credit but will almost double it for families who adopt children with special needs. There are over 500,000 children in foster care in America. We need to promote adoption and permanency. This will be a great incentive for families to do that. So I am happy to join my colleagues on this. It costs so little, but it would mean so much and would go such a long way in helping to strengthen families, relieve tax burdens on the general public, and give these children an opportunity to be raised in a loving home.

I will soon yield back the remainder of my time. It will be just a small amount. If we do this estate tax relief right, we could do the adoption tax credit, the child care credit, and the health insurance for businesses. I hope we will, in the end, accomplish that goal.

I yield back the remainder of my time.

Mr. DODD. Mr. President, I thank my colleague from Iowa, who graciously allowed us to step ahead of him in line this evening.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, first of all, I note the incredible paradox that this wonderful amendment offered by our dear colleague from Connecticut was in the Republican tax bill that Bill Clinton vetoed last year. I wish our colleagues had supported that bill, and I wish they had helped us override the President's veto.

I have two simple responses here. One, it is true that if you count up the number of people affected by his amendment, Senator DODD has more numbers. But the point is, he is asking us to forgo repealing the death tax so that families will continue to work a lifetime to build up a business or a family farm, pay taxes on every dollar they earn; yet, when they die, their children have to sell off the farm or the business in order to give this tax to the Government. We would repeal the tax. He would take funds from it for another purpose.

So when we talk about somebody's home, somebody's farm, somebody's business, and the fact that there are a larger number of people who would like to have their home or business, I am not surprised by that, nor am I overwhelmed by it. Almost any robber anywhere would say, ''I had six children and he had two; I had a gun and he had a wallet.''

That is my first point.

My second point is that the $5 billion they spend here is $5 billion that was allocated to the Finance Committee to allow us to repeal the marriage penalty for people who get the earned-income tax credit.

There was no point of order against this amendment because it has taken the $5 billion that we were going to use in repealing the marriage penalty to see that people who get the earned-income tax credit don't lose that earned-income tax credit when they get married.

Let me give you an example. A janitor with three children meets a waitress with two children. They are both working. They are both low income. They both get the earned-income tax credit. They meet and they fall in love. They have the answers to their prayers—a father for the children and a mother for the children. They get married. What happens? They both lose their earned-income tax credit. They are in the 28-percent tax bracket. So, as a result, they decide not to get married.

It is a crazy policy. We want to repeal it. We are going to repeal it tomorrow.

But our ability to fund the earned-income tax credit so they can keep the earned-income tax credit and not move into the 28-percent bracket is made possible by the $5 billion that this amendment will take away from the Finance Committee.

The question you have to ask is not does the Senator's amendment do any

good. It does good. But the question is, Is it worth taking away the earned-income tax credit from working poor people who are trying to better their lives? Is it worth forcing people to sell their farm and sell their business that their parents spent a lifetime building up as a way of funding it?

I think this is a proposal that has merit. We wrote it into the Republican tax package last year that the President vetoed. But I don't think we ought to eliminate EITC relief for working people who get married to fund this proposal, which is what it does.

Second, the amendment also keeps part of the death tax in place. Why is that dangerous? They argue that at least we are reducing it. They are. But do you remember in 1993 when the President was putting together his tax increase, and one of the ideas he floated was lowering the deduction from $600,000 to $200,000?

Does anybody doubt that unless we kill the death tax, get rid of it and pull it out by the roots, that the next time we have a Democrat President and a Democrat Congress we are going to end up as we were in 1993 with this deduction back down to $600,000, $400,000, or $200,000?

Mr. DODD. Will my colleague yield?

Mr. GRAMM. I believe this is an amendment that should be defeated.

If I have any time, I would love to yield to my dear friend.

Mr. DODD. My point is, I am for making clear changes in the estate tax proposal. I think all of us are.

Could I ask for 30 additional seconds?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DODD. You have proposed a tax break that costs $750 billion in the second 10 years. It seems to me that we ought to be able to find some room for child care for which 8 million people will benefit.

People should remember what my colleague and friend from Texas says—help out those 43,000 richest Americans.

Mr. GRAMM. There is one difference. No matter how many of them there are, it is their home. It is their business. It is their farm. They built it up. It belongs to them. You are taking it away from them to give it to somebody else that it doesn't belong to. I don't care how many there are.

Mr. DODD. We can help them and we can also carve $5 billion out of a $750,000 billion tax break to help 8 million Americans?

The PRESIDING OFFICER. All time has expired.

The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I yield myself 5 minutes under leader time.

For the information of my colleague from Connecticut, I think that a point of order lies against the bill. That will be made again by the chairman of the Budget Committee tomorrow after it has been checked. We haven't had enough time to review the amendment. For example, we are talking about changing child care tax credits.

I ask my colleagues from Connecticut: Is this a refundable tax credit as proposed?

Mr. DODD. It is refundable, and covers those who stay at home as well.

Mr. NICKLES. Mr. President, if it is a refundable credit, we have now turned a tax cut into a spending bill, I would assume spending billions of dollars.

Again, we haven't had a chance to review the amendment. We haven't had it scored. We will review it. We will find out if a point of order lies against it. I happen to think that one does. We will find out when the chairman of the Budget Committee makes that decision tomorrow. If it is a refundable tax credit, it is a spending bill.

This is a way for Uncle Sam to be writing checks. This is a way for us to be spending more money. I question the wisdom of doing that, especially without a chance to review it and consider it.

Mr. DODD. If my colleague will yield.

Mr. NICKLES. I will, but not right now. I want to move on and finish this bill tonight.

Again, I compliment my colleague from Delaware and my colleague from New York. I personally haven't agreed with the process under which we are considering this bill. I compliment the managers for their patience. The hour is late. I think we still have two or three other amendments to consider. I hope we can finish those. We can vote on these tomorrow. We can pass this bill tomorrow, and I hope lay the predicate and foundation for passing the elimination of the marriage penalty as well. If so, we will have done a couple of days of good work.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the next amendment is the amendment of the Senator from Delaware.

Mr. MOYNIHAN. Mr. President, might I ask unanimous consent that the Senator from Connecticut be given 2 minutes to respond?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DODD. Mr. President, I will not take 2 minutes.

As my colleague notes, this amendment would make the child care tax credit refundable—that's one of its strongest points. My friend from Texas said we adopted a similar provision in the tax proposal offered by the Republicans a year or so ago. That's not true. It was not refundable and would not have benefited lower-income families. There is a significant difference.

Refundability is important because as it stands now the tax break we are talking about is not terribly meaningful for families earning less than $20–$25,000. Refundability is the only way to help people in that income level.

I mentioned earlier that I was listening to a woman today who was saying how happy she was that she found child care for one of her two children for $100 a week. That is $5,200 a year. She makes, according to her, about $25,000 or $30,000 a year. That is a quarter of her gross income going to care for one child. Without refundability, the current tax credit really doesn't mean much to her. It is simply inequitable to deny her a tax credit that families at higher incomes with the same type of child care expenses enjoy.

If we can find the time, as we have for a day and a half, to debate a bill that would assist 43,000 or 44,000 people, can't we carve out a place in a $750 billion tax break for 8 million working people in this country who are trying to raise their children under very difficult circumstances. That is the purpose of the amendment.

I suspect it does suffer a potential point of order. We will make our motion at the time. But I hope my colleagues will be supportive.

Mr. NICKLES. Mr. President, will the Senator yield for a question?

Mr. DODD. I would be happy to yield.

Mr. NICKLES. If you are making it a refundable credit, you are making this more of a priority than health care. You are saying this is a more important item than food, in some cases, because you are having the Federal Government write a check to pay for it. We don't do that with health care.

I understand your desire to do some things for child health care. We happen to agree with much of that because we passed it last year in the bill the President vetoed. But now you are trying to make it refundable by having Uncle Sam write a check for it. I personally think you are going too far with that amendment.

Mr. DODD. Mr. President, I ask for an 15 additional seconds.

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

Mr. DODD. My point is this: Raising children in this country in affordable, decent circumstances is about as basic as it gets. Eight million Americans can benefit from this amendment. This is a good investment for our country. With a $750 billion tax break for 43,000 people, I think we ought to be able to do something for 8 million working families with young children.

Thank you, Mr. President.

Mr. GRAMM. Mr. President, did not our Democrat colleague from New York ask that both sides get 2 minutes?

Mr. MOYNIHAN. Mr. President, I surely wish to do so.

The PRESIDING OFFICER. Is there objection?

Mr. GRAMM. Give me 30 seconds.

The PRESIDING OFFICER. Without objection, 30 seconds.

Mr. GRAMM. Mr. President, what we are talking about here is basically a setting of priorities. Do we want to take money away from eliminating the marriage penalty in the earned-income tax credit for working families to give a tax credit for a noble purpose? In fact, a purpose that we had written into our tax bill last year that the President vetoed. That is what we are debating: priorities.

We set aside the $5 billion in the budget to fund earned-income tax credit for the elimination of the marriage penalty. If we spend it here, we cannot do it tomorrow.

AMENDMENT NO. 3841

(Purpose: To provide for pension reform, and for other purposes)

The PRESIDING OFFICER. Under the previous order, the Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 3841.

Mr. ROTH. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. ROTH. Mr. President, I rise to offer an amendment which addresses a very important topic for many Americans—retirement savings.

Many Americans, especially Boomers, increasingly worry: Will I have enough to live on when I retire? According to recent studies, one third of Americans are not confident that they will have enough to live on in their retirement years, and for others that optimism about retirement income may not be well founded.

Savings—whether through employer retirement plans or as personal savings—are necessary for a comfortable retirement.

Overall savings by Americans are at an all time low. The U.S. Department of Commerce stated that Americans' personal savings rate for the first half of 1999 fell below zero.

I believe, and many economists agree, that increasing tax incentives for savings will result in more savings.

The amendment I offer provides many tax incentives which will result in greater savings. Let me outline just a few of them.

The maximum contribution limit for IRAs both traditional IRAs and Roth IRAs is $2,000. This limit, which has been in place since 1982, has never been indexed for inflation. According to the Joint Committee on Taxation, If the IRA limit were indexed for inflation it would be over $5,000.

This amendment increases the contribution limit for all IRAs (both traditional IRAs and Roth IRAs) to $5,000 per year and under that amount for inflation.

It is important to remember that people at all income levels make IRA contributions.

An estimated 26 percent of American households now own a traditional IRA. In 1993 (the most recent year for which comprehensive aggregate data is available) 52 percent of all IRA owners earned less than $50,000.

We know that people at all income levels are limited by the $2,000 cap on contributions. For example, IRS statistics show that the average contribution level in 1993 for people with less than $20,000 in income was $1,500.

Lower income people clearly want to make contributions of more than the $2,000 limit.

This amendment also increases other benefit limitations. Currently, the maximum pre-tax contribution to a 401(k) plan or a 403(b) annuity is $10,000.

In addition, the maximum contribution to a 457(b) plan, a plan for employees of government and tax exempt organizations is $8,000.

Finally, the maximum contribution to a simple plan, a simplified defined contribution plan available only to small employers, is $6,000.

This amendment increases limits for 401(k), 403(b) and 457 plans to $15,000 and for simple plans to $10,000.

This does not mean that business executives can automatically take advantage of these higher contribution limits; lower income employees must benefit in order for the executive to benefit.

Consequently, business owners and high paid employees cannot benefit with this new higher contribution limits unless the amount of savings that low paid people make—either on their own or with the help of the employer—increases.

This amendment adds a new type of employer savings plan.

We heard testimony before the Finance Committee that the first year of the Roth IRA was a success. And we have all seen the television and print ads touting the benefits of the Roth IRA. The opportunity for tax-free investment returns has clearly caught the fancy of the American people.

In less than five months after the Roth IRA became available, approximately 3 percent of American households owned a Roth IRA.

In addition, the survey found that the typical Roth IRA owner was 37 years old, significantly younger than the traditional IRA owner who is about 50 years old, and that 30 percent of Roth IRA owners indicated that the Roth IRA was the first IRA they had ever owned.

This amendment intends to harness the power of the Roth IRA and give it to participants in 401(k) plans and 403(b) plans.

We will give companies the opportunity to give participants in 401(k) plans and 403(b) plans the ability to contribute to these plans on an after-tax basis, with the earnings on such contributions being tax-free when distributed, like the Roth IRA.

This amendment will also provide an additional savings opportunity to those individuals who are close to retirement.

We all know that there can be other pressing financial needs earlier in life—school loans, home loans, taking time off to raise the kids—which limit the amount that we may have available to save for retirement.

The closer that we get to retirement, the more we want to put away for those years when we are not working.

However, the current law limitations on how much may be contributed to tax qualified savings vehicles may restrict people's ability to save at this time in their lives.

This amendment will give those who are near retirement—age 50—the opportunity to contribute an additional amount in excess of the annual limits equal to an additional 50% of the annual limit.

Catch-up contributions will be allowed in 401(k) plans, 403(b) plans, 457(b) plans and IRAs.

For IRAs, this will mean that someone age 50 could contribute $7,500 each year rather than $5,000.

Never before have Americans had better opportunities to provide for a comfortable retirement—with a strong economy together with increasing opportunities for saving and investment.

The result of this amendment will be more personal savings to assist people in providing for a comfortable retirement.

I urge my colleagues to support this amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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. HARKIN. I yield back all time on this side on the Roth amendment.

The PRESIDING OFFICER. All time is yielded back.

Under the previous order, the Senator from Iowa is to be recognized.

Mr. HARKIN. How much time am I recognized for?

The PRESIDING OFFICER. The Senator has 10 minutes.

AMENDMENT NO. 3840

(Purpose: To protect and provide resources for the Social Security System, to amend title II of the Social Security Act to eliminate the ''motherhood penalty,'' increase the widow's and widower's benefit and to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes)

Mr. HARKIN. I call up amendment 3840 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, and Mr. FEINGOLD, Ms. MIKULSKI, and Mr. LEAHY, proposes an amendment numbered 3840.

Mr. HARKIN. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. HARKIN. Mr. President, women in America have made significant strides for equality and fair treatment. They have more opportunities and face less discrimination. However, there are still gross inequities, and this is particularly true in Social Security.

The average Social Security benefit received by a man is modest, about $10,508 on average in 1998. But for the 21 million American women who depend on Social Security, their average benefit is over 25 percent less, just $7,836 a year. That is 25 percent less to pay for prescription drugs; 25 percent less to pay for food; and 25 percent less to pay for the rent and utilities.

Largely as a result of these lower Social Security benefits, elderly women are twice as likely to be poor than older men. Fully, 19 percent of single older women—those who have been widowed, divorced, or never married—live in poverty.

There are a number of reasons for this. Women live longer than men. Women earn less during their working years due to wage discrimination and other factors. And women reach retirement with smaller pensions and other assets than men.

Parts of the problem lie with the Social Security itself. Our amendment that I have offered on behalf of myself, Senator FEINGOLD, Senator MIKULSKI, Senator LEAHY, and Senator MURRAY, tries to fix two of these problems in Social Security.

First, under current law, when a man dies, his widow sees only 50 to 66 percent of the couple's previous combined Social Security benefit. In one day, her basic income is cut by as much as half. However, the official poverty rate for a single person is 79 percent of that for a couple. That means that experts have determined it takes about 79 percent of a couple's income for a single person to maintain a minimum standard of living.

So the current widow's benefit forces many older women into poverty upon the death of their spouse. Our amendment would change that by increasing the Social Security survivors' benefit to at least 75 percent of the combined benefits of the husband and wife. This simple change will provide a greatly needed boost to more than 3 million low- and moderate-income widows and widowers.

The second part of our amendment addresses the Social Security motherhood penalty. The motherhood penalty is just this. In Social Security, it provides lower benefits for women who take time off their jobs to raise their children or to care for a sick parent. Our amendment would eliminate this penalty by allowing people to take time out of the workforce to raise a child or to care for a dependent relative, and to eliminate up to 5 years of zero or very low earnings from those used to calculate their future Social Security benefits.

Social Security benefits are based on your average earnings over 35 years. This generally works for men who spend an average of 39 years in the workforce. When Social Security was established in 1935, most women stayed at home. It was assumed most women would get benefits through their husbands. The 35-year average formula fails to recognize that today an increasing number of women work but also take time off to raise children. Thus, the average woman is in the workforce 27 years today. The other 8 years are counted as earning zero dollars, resulting in lower benefits. Our amendment recognizes the importance of care giving, of women taking time out of the workforce to have children, and allows up to 5 years of zero or lower earnings to be exempted when calculating future retirement benefits.

I will just give a brief example. Suppose you have a woman who worked throughout her life but took time off to raise three children. She worked for a total of 30 years, retired at age 65. In those 30 years she averaged $20,000 a year in earnings.

But since she had 5 years with no earnings while caring for her children, her lifetime average earnings calculated on a 35-year formula is $17,142. This entitles her to an annual Social Security benefit of $9,369. Under our amendment she would be allowed to erase those 5 zero-earning years, bringing her lifetime average back up to $20,000. As a result, her annual benefits would be increased by about $800, a significant and needed boost.

The motherhood penalty will become increasingly important as more women receive benefits based on their own earnings. Today, about 37 percent of women receive Social Security benefits based on their own earnings rather than getting the spousal benefit. But this is expected to rise to 60 percent over the next two generations, by 2060.

Finally, the third part of our amendment makes a major contribution to shoring up Social Security for the future. What we do is dedicate the interest savings from paying off the national debt to Social Security. By doing this, we are using good economic times to prepare for the future. These interest savings are substantial, totaling about $120 billion this decade, and growing to $250 billion a year by 2015. This simple step of locking away these savings for Social Security would assure Social Security's fiscal health for the next 50 years. What we are saying is when we buy down the national debt, the savings in the interest payments on that, which would normally go to general revenues, will go to Social Security and not to general revenues.

Again, our amendment offers a clear choice. If you want to make Social Security sound and secure for the next 50 years, you should vote for this amendment. If you want to do away with the motherhood penalty and make sure that women have their proper years counted so we do not discriminate against them for raising children, then I think you should vote for this amendment. If you think millions of moderate-income women deserve a financial boost, making sure they get at least 75 percent of their spouse's benefits rather than the 50 to 66 percent they get now, and get a lot of women over that poverty line, I think you should vote for this amendment.

There are three parts to this amendment: Do away with the motherhood penalty; second, make sure the spousal benefits are at least 75 percent of their spouse's upon death; third, use the savings from the interest payments to put into Social Security rather than general revenues.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes 55 seconds remaining.

Mr. HARKIN. I yield the remainder of the time to the cosponsor of the amendment, the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, as we on this side of the aisle have made clear, this debate is about priorities. The majority has made clear that its highest priority is to expand tax breaks for the wealthiest 2 percent of the population.

Yes some sensible reforms are in order to the estate tax, and the Democratic alternative, which our amendment incorporates, would make those.

But shouldn't our first and highest priority for using our surplus be extending the life of Social Security? Our amendment would do that, as well.

Thirdly, our amendment would make much-needed improvements in Social Security benefits for widows and those who take time out of the workforce to raise their children.

As President Kennedy said in his 1962 state of the Union address, ''[T]he time to repair the roof is when the sun is shining,'' This year, the Social Security Trust Fund is taking in nearly $100 billion more in payroll tax revenues that it pays out in Social Security benefits, building up assets. It will continue to do so for pretty much the entire decade.

But then, in the next decade, as the baby boom generation begins to retire in numbers, that cash surplus will shrink. Starting in 2015, the cost of Social Security benefits is projected to exceed payroll tax revenues. Under current projections, this annual cash deficit will grow so that by 2036, Social Security will pay out a trillion dollars more in benefits that it takes in in payroll taxes. By 2037, the Trust Fund will have consumed all of its assets.

We as a Nation have made a promise to workers that Social Security will be there for them when they retire. Our Nation's commitment to Social Security will not go away. We should start planning for that future.

The Social Security Trustees released their last annual actuarial report at the end of March. That report indicated that to maintain solvency of the Social Security Trust Fund for 75 years, we need to take actions equivalent to raising payroll tax receipts by 1.89 percent of payroll or making equivalent cuts in benefits. In 2037, annual Social Security tax revenues will be sufficient to cover 72 percent of annual expenditures.

The Trustees' report sounds a warning: We can fix the Social Security program so that it will remain solvent for 75 years if we make changes now in either taxes or benefits equivalent to less than 2 percent of our payroll taxes. But if we wait until 2037, we would need the equivalent of a 28 percent cut in benefits to set the program right. Put another way, if we wait until the trust funds run out of assets in 2037, we will need to make changes equal to an increase in the payroll tax rate of 5.4 percentage points, to set the program right.

The choice is clear: Small changes now or big changes later. That's why Social Security reform is important, and why it is important now.

And that's why President Clinton was right when in his 1998 State of the Union Address, he said, ''What should we do with this projected surplus? I have a simple four-word answer; Save Social Security first.''

That's why it doesn't make sense to enact either tax cuts or spending measures that would spend the non-Social Security surplus before we've addressed Social Security for the long run. Before we enter into new obligations, we need to make sure that we have the resources to meet the commitments we already have.

The complete repeal of the estate tax before us today would head in the opposite direction. It could cost $750 billion a decade, when it if fully phased in. These costs would begin to hit most heavily in the decade after 2011, just when the baby boom generation will begin to retire in large numbers, just when the financial pressures on Social Security will begin to mount.

It would be irresponsible to enact a tax cut of this size before doing anything about Social Security. Before the Senate passes major tax cuts like the one pending today, the Senate should do first things first. And that's what this amendment does. I urge my colleagues to support it.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, our colleagues have just introduced the Gore plan to extend Social Security by giving the Social Security Administration a bunch of new IOUs. Of course, the IOUs are from the same Government that is going to have to pay the Social Security benefits in the future.

We currently have $800 billion of paper IOUs in a steel filing cabinet in West Virginia. They represent the trust fund of Social Security. When Social Security takes in more taxes than it spends, this computer in West Virginia prints out this IOU, and the Government goes on about its business and spends the money on something else. That something else can be any other Government program, or buying down the debt of the Treasury. But the Social Security Administration gets the IOUs.

What we are hearing here is a new gimmick, where you give them the IOU and then maybe you buy down debt, maybe not, but you still give them another IOU. Then that IOU earns interest and you get another IOU.

Let me go back and start at the beginning. Let me quote President Clinton in his year 2000 budget. I know it is late, but I hope my colleagues will listen to this quote.

> These Social Security trust fund balances are available to finance future benefit payments and other trust fund expenditures—but only in a bookkeeping sense. These funds are not set up to be pension funds, like the funds of private pension plans. They do not consist of real economic assets that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing the benefits—

Which means cutting Social Security benefits—

> or other expenditures. The existence of large trust fund balances, therefore, does not, by itself, have any impact on the Government's ability to pay benefits.

That is not me talking. That is President Bill Clinton from his fiscal year 2000 budget. What is he saying? This $800 billion of Government IOUs we have represents a debt of Government. So when the Government has to pay Social Security benefits in the future, they have an IOU and they can collect it. But who has to pay it? The same Government that collects it.

It is why I cannot write an IOU and put it on my balance sheet. The Senator from Oklahoma, when he was running Nickles Machine Corporation, could not inflate his balance sheet by simply adding another IOU. President Clinton clearly explains that.

Our Vice President is saying: OK, I want to make Social Security solvent for 50 more years—I do not know why he did not do 100 or 500—and the way I am going to do it is I am going to print up these IOUs that say the Government owes the Government money, and they are going to put the IOUs in that filing cabinet in West Virginia.

Here is the problem. When they get them out to cash and they say: OK, this IOU is for $100 billion; we will pay benefits with this. Who is going to pay the $100 billion? The Government has to pay the $100 billion. To quote Bill Clinton, they have to raise taxes, borrow from the public, they have to reduce benefits, which is cut Social Security benefits, or they have to cut other expenditures. The point being this is a totally fraudulent proposal. It simply acts as if you can pay benefits that the Government owes with an IOU that the Government owes.

The problem is there is no way the Government, with its own debt, can pay anybody benefits because it has to pay its own debt first. All the Vice President is proposing is that we commit future income taxes to pay benefits in the future. How does that in any way improve the solvency of Social Security? It does not, and this whole proposal should be rejected.

Mr. CRAIG. Mr. President, I rise in opposition to the Harkin amendment.

The Harkin amendment would make changes to Social Security benefits. It would: increase benefits to widows; and increase benefits for stay-at-home parents by attributing earnings to them while they stay home.

Mr. President, everyone wants to help moms and widows, especially during election years, but Social Security is exactly the wrong tool for the job.

The Harkin amendment would fail to provide meaningful assistance to the people they are targeted to aid.

Worse, it would increase Social Security's unfunded liabilities by almost a third, reduce Social Security trust fund balances by hundreds of billions, and accelerate the system cash-flow crisis.

Social Security is one of the few federal programs that already takes stay-at-home parents into account.

Under the current system, married spouses generally receive about the

same Social Security benefit regardless of whether they worked full-time, part-time, took a break for child-rearing, or did not work at all.

For example, in 1996 women who receive Social Security benefits based upon their own work record received an average benefit of $657, while women whose benefits are based upon their husband's work record received $596, just a 10-percent difference [Social Security Administration].

In other words, there is no motherhood penalty in Social Security.

If Senator HARKIN wants to help mothers, why doesn't he embrace tax relief like the Senate Marriage Tax Relief Act, which would allow parents to keep more of their income before it gets sent to Washington?

Instead, his proposal would take a program already under financial distress and make it go broke faster.

Moreover, under the Harkin amendment, years after you've incurred the expense and raised your children, you get a few more benefits from the Federal Government. Who pays for those benefits? You guessed it, your children. Not much of a deal.

The Harkin amendment is exactly the wrong solution to help stay-home parents.

Senator HARKIN estimates this proposal would cost just a few billion over the next 10 years. That is a gross underestimate.

While the Social Security Administration has not estimated the ''motherhood'' proposal, economist Henry Aaron offered a ''seat-of-the-pants'' estimate in Slate Magazine [4/5/00] of .25 percent of taxable wages.

That's about $150 billion over 10 years.

Meanwhile, Senator HARKIN's proposal to increase widow's benefits would cost about .32 percent of taxable wages [Report of the 1994–1996 Advisory Council on Social Security, Volume I: Findings and Recommendations, January 1997].

That translates into $166 billion over the next 10 years. Now the Senator has put a limit on his benefit, so it won't cost quite that much, but it is still substantial.

The Harkin amendment claims to pay for these new benefits by transferring money from general funds to the Social Security trust fund.

The amount of the suggested transfers is staggering. Including interest, it literally amounts to over 60 trillion dollars over the life of the transfers—over sixty trillion dollars!

What do general fund transfers accomplish to help ease the burden taxpayers face in coming years? Nothing.

What do the experts have to say about general fund transfers? President Clinton's Budget: ''These [trust fund] balances are available to finance future benefit payments and other trust fund expenditures but only in a bookkeeping sense. These funds are not set up to be pension funds, like the funds of private pension plans. They do not consist of real economic assets that can be drawn down in the future to fund benefits. Instead, they are claims on the Treasury that, when redeemed, will have to be financed by raising taxes, borrowing from the public, or reducing benefits or other expenditures. The existence of large trust fund balances, therefore, does not, by itself, have any impact on the Government's ability to pay benefits.''

Congressional Budget Office: ''The Administration's proposals would create transactions between government accounts, but such intra-governmental transfers do not by themselves increase the resources available to the government.''

Dan Crippen—Director of the Congressional Budget Office: ''Too many of us—from the President to members of Congress to my high school classmates—believe the current balances in the Social Security trust funds will help ease the burden on the children of the baby boomers. That is, unfortunately, not true.''

Henry Aaron—Brookings Institute: ''The president proposes to deposit government bonds to defray part of this unfunded liability, thereby putting a call on future general revenues—personal and corporation income taxes—to pay for this unfunded liability,'' according to testimony before the Ways and Means Committee, 2/2/99.

Mr. President, Senator HARKIN's trust fund transfers are a fraud.

Whether the system is financed through payroll taxes or from general funds, the Social Security system is poised to claim an increasing share of future worker income. By 2075, that share is one-fifth of taxable payroll—20 cents of every dollar a worker earns.

That 20 cents is taken before the other income taxes, sales taxes, and property taxes are collected to pay for national defense, policing the streets, educating children, and other government services.

It also is assessed before the worker can purchase housing, clothing, food, education, and transportation. All for a program that—in many cases—offers the worker less money than he or she contributed.

Meanwhile, expanding Social Security benefits when the program is already going broke is wholly irresponsible.

As Robert Reischauer, former Congressional Budget Office Director, observed about similar proposals. ''We still have a program that is going to face difficulties. Compounding those difficulties is not responsible policy.''

The Harkin amendment is the worst sort of pandering. It pits one generation against another. Younger workers against older retirees. It should be defeated.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I yield myself 5 minutes of leader time to speak on this amendment.

The PRESIDING OFFICER. The Senator is recognized.

Mr. NICKLES. Mr. President, I mention to my colleagues, I think everyone is aware the minority leader yielded 5 minutes to his colleagues on each of these minutes. I do not like to do it, but it is important to point out some of the facts. I appreciate my colleague from Texas pointing them out.

This amendment and the Vice President's proposal is one of the riskiest, maybe one of the most deceitful I have seen in my years in Congress. It basically says we should have double accounting of interest. It says we are going to take the interest savings from debt reduction and apply that to Social Security, as if we are going to make Social Security more solvent. It would not do that.

I will give some quotes from people who studied the proposal. One is from David Walker, Comptroller General of GAO:

> [The Clinton-Gore proposal] does not come close to saving Social Security.

The proposal he is referring to is the Clinton-Gore proposal.

> Under the President's proposal, the changes to the Social Security program will be more perceived than real: although the trust funds will appear to have more resources as a result of the proposal, nothing about the program has changed.

Dan Crippen, Director of CBO:

> Those transfers would have no effect on the ability of the Federal Government to meet the obligations of those programs. The transfer would not, as some have asserted, strengthen Medicare or Social Security. At most, they might have the opposite effect of imparting a false sense of security.

It is double accounting.

I have a statement from CBO's ''An Analysis of the President's Budgetary Proposals for Fiscal Year 2001.'' On page 67, it talks about the interest savings transfers to Social Security. It says:

> The Social Security trust funds already receive credits for interest on their accumulated balances under current law.

They already get interest on the surpluses. That is already current law.

It continues:

> The proposed transfers would simply add extra interest credits on top of those that would be provided anyway. . . . The transfers themselves would have no economic significance because they would flow out of one government fund and into another.

If we want to say we are making the Social Security fund more solvent by adding more IOUs, we should do what the Senator from Texas did. Why stop at $100 billion?

I read that the Senator's amendment will add $250 billion annually after 2015. Why not right now? Let's just add $5 trillion. We have about $10 trillion of

unfunded liability in Social Security. Let's just say we have a Government IOU, $10 trillion. It is fully funded. In the year 2012 or 2015, there is going to be a shortage. There is going to be more money going out than coming in, and those IOUs will not be able to pay one check—not one.

At that point in time, the Government is going to have to borrow more money, raise taxes, or cut benefits. In other words, we have not changed the program, and putting in more IOUs will not pay one benefit, will not pay one Social Security check. If my colleagues are interested in the solvency—my colleague is saying let's also increase benefits; let's increase retirement benefits; let's increase survivor benefits; let's increase benefits for people not paying into the system and increase survivor benefits, none of which had hearings before the Finance Committee.

Talk about being irresponsible and playing politics with Social Security. This amendment does it in the worst way. This amendment needs to fail and, frankly, the Vice President should be ashamed of this proposal. I hope our colleagues will vote against it, and I urge our colleagues to vote against it tomorrow morning.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. If all time has expired on that amendment, I would like to be recognized——

The PRESIDING OFFICER. The Senator from Iowa has 1 minute remaining.

Mr. HARKIN. Mr. President, I will use it for a small rebuttal. I noticed my friends on the other side going after the Social Security trust funds. The Senator from Minnesota, Mr. GRAMS, had an amendment to put money into the Social Security trust fund, and they all voted for it. So much for being consistent around here.

Quite frankly, I listen to the arguments on the other side, and I think my friends from the other side want to privatize Social Security. On top of that, they want to say you do not get Social Security until you are 70. They want to raise the retirement age.

Don't let all that fog over there cloud what we are trying to do. We are trying to change the motherhood penalty so women are not penalized raising children and getting Social Security.

Secondly, our amendment says widows ought to get at least 75 percent of their spousal benefit, rather than the 50 to 60 percent now.

Lastly, when we pay down the national debt, you are right, take the savings from that and stick it into Social Security so that money will be there for future generations.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute 25 seconds remaining.

Mr. NICKLES. Mr. President, maybe my colleague from Iowa did not understand what we voted on earlier. Earlier we voted on repeal of the tax on Social Security which was passed by the Clinton-Gore administration, passed by Vice President GORE because he broke the tie, passed by every Democrat, but not one Republican voted for it. We had 58 votes, I believe, in the Senate to repeal it today. Those are the facts.

There was a tax increase on Social Security that passed in 1993, and it was passed by every Democrat. Today we had an overwhelming majority who voted to repeal it. Those are the facts.

Now we have an amendment before us that says let's double count interest savings even though we count the interest on Social Security surpluses. Let's double count and let's pretend that is going to make Social Security more solvent and, in the process, let's add a whole bunch of new benefits and see if we can't buy more votes and tell people we are going to give them something even though they know it is not going to happen. It has not been considered in the Finance Committee and Ways and Means Committee. Even though they know it is irresponsible and Social Security has big problems coming up in 13, 14 years, they say: Let's put more IOUs in and pretend it will make it more solvent. The budget experts say it will not work. The President in his own budget statement said it will not work.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I do not have any time left.

The PRESIDING OFFICER. The Senator has no time left on this amendment.

Mr. HARKIN. I ask unanimous consent for 30 seconds to respond.

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

The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, let me read the exact language of the Grams amendment.

> Revenue offset.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act . . . an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

I rest my case. They all voted for it transferring money from General Treasury to Social Security. That is the Grams amendment. They all voted for it.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Texas.

Mr. GRAMM. Mr. President, I ask unanimous consent that it be in order for me to offer the Lott amendment on the list at this time and that I be allowed to yield back all the time and that the vote occur in the sequence to follow the Bayh amendment as previously ordered.

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

AMENDMENT NO. 3842

(Purpose: To provide tax relief)

Mr. GRAMM. Mr. President, I send the amendment to the desk and yield back all time that is allotted.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Texas [Mr. GRAMM], for Mr. LOTT, proposes an amendment numbered 3842.

Mr. GRAMM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I want to ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana is recognized.

AMENDMENT NO. 3843

(Purpose: To amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction and provide a long-term care credit, and for other purposes)

Mr. BAYH. Mr. President, I send an amendment to the desk on behalf of myself, and Senators DURBIN, FEINGOLD, MIKULSKI, KOHL, BIDEN and GRAHAM, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Indiana [Mr. BAYH] for himself, Mr. DURBIN, Ms. MIKULSKI, Mr. FEINGOLD, Mr. KOHL, Mr. BIDEN, and Mr. GRAHAM, proposes an amendment numbered 3843.

Mr. BAYH. I ask unanimous consent reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. BAYH. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I rise to support our amendment because it not

only provides for substantial estate tax relief, but it also provides for substantial tax cuts for millions of American families, in providing for long-term care for sick and elderly dependents, and also provides for important tax relief for millions of American families who work hard, play by the rules, are self-employed, but struggle to meet the costs of health insurance.

I express my appreciation to my colleagues, Senator DURBIN, Senator FEINGOLD, and others, for their leadership in bringing us to this point, and for their support of these critical and important steps.

I want to make clear that I strongly support the cause of providing for estate tax relief. That is why I am delighted to say that our approach provides, when fully implemented, that 99.3 percent of the American people—99.3 percent—will be entirely exempt from any estate taxes in our country.

This means that fully 95 percent of farms that would currently be subject to the estate tax have their estate tax liability eliminated entirely, and 75 percent of small businesses currently subject to the estate tax will have their estate tax liability eliminated entirely.

In a perfect world, I would also support the elimination of the other one-tenth of 1 percent of families in our country who will still be subject to the estate tax. But we have other priorities which must also be met.

One of the foremost among these is the fact that currently 2.6 million families across our country struggle to provide care for a sick, elderly parent in their home. This figure is expected to skyrocket in the coming years because, among other facts, those in our country over the age of 65 will more than double during that period of time.

We find too many families today caught in what we refer to as the ''sandwich generation,'' struggling not only to provide for their children, pay the mortgage, put food on the table, but also to care for a sick, elderly parent or grandparent. It is not right in our country that families must be forced to choose between caring for a child or caring for a parent. They deserve tax relief, too.

That is exactly what our bill would do, providing up to a $3,000 tax credit every year, once fully phased in, to help alleviate those burdens, allowing families to meet all of their priorities, and particularly to provide for long-term care for a sick, elderly parent or other dependent.

Likewise, it is not right that so many of our families currently work and struggle to provide for the cost of health insurance. Just last year, one million fewer Americans had health insurance, and many of these are self-employed. Under our approach, we would accelerate the full deductibility for the cost of health insurance for those who are self-employed to next year, providing an additional 2 years of tax relief for hard-working Americans.

In conclusion, let me say this. It has been eloquently stated by our colleagues on the other side of the aisle that death should not be a taxable event, and they are right. But it is equally true no family in our country should face the painful dilemma of providing care for their children or care for their parents. That is not right. They deserve our help. They deserve tax cuts, too.

It is not right that hard-working Americans, who play by the rules, pay their taxes, and get up and go to work every day, struggle to make ends meet, and provide for health care. They deserve tax cuts. They deserve our help, too.

That is exactly what our bill would provide. It meets our priorities, it is financially responsible, and it is true to our enduring values. That is why I encourage my colleagues to adopt this important amendment.

I now yield 3 minutes to the Senator from Illinois, my friend and colleague, Mr. DURBIN.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I thank the Senator from Indiana for his leadership. I fully support his amendment.

For those who are trying to understand what is happening on the floor of the Senate, allow me to give a summary of the game to this point.

The Republican leadership has come forward with a basic proposal to eliminate the estate tax. They have suggested that we should take $850 billion over the next 20 years and dedicate it to eliminating the tax liability for 44,000 of the wealthiest Americans in our Nation. They believe that is our highest priority. When they look at our Tax Code, the Republicans have concluded the greatest inequity in America's taxes is the tax paid by less than 2 percent of our population.

They have decided that the most deserving group for tax relief in America today are 44,000 of the wealthiest people in our Nation. That is their decision. That is their priority. They have made it clear with every single vote.

We have come forward and said we can reform the estate tax so that virtually two-thirds of those currently paying will not have any liability and still have money left to do important things.

We said to the Republican side of the aisle: Will you join us in allowing families to deduct college education expenses for their kids as part of it?

No, they said, we are not interested.

Will you join us in a prescription drug benefit for seniors as part of the relief that we are going to offer in this?

No, they are not interested.

Will you join us in child care relief so that families can afford to have safe and quality child care?

No, they are not interested. Their only interest is in protecting the 44,000 wealthiest people in this country.

What Senator BAYH is offering in this amendment is a long-term care tax assistance package which every family with an aging parent can understand, which every family that faces that responsibility will clearly understand. This is family oriented. It will affect literally millions.

My portion of this amendment will affect 13 percent of the workforce. It will allow the self-employed businesses across America—those are farmers and small businesses, by and large —to deduct immediately next year their health insurance premiums paid for their employees instead of waiting an additional 2 years.

Right now, the big corporations deduct all the expenses for the health insurance of their employees. Self-employed people cannot. When you ask small businesses across America: What is your highest priority? it is not the elimination of the estate tax. The highest priority is the cost of health insurance. And the second highest, I noticed this morning, happens to be education and finding skilled and trained workers.

So this amendment addresses not only an inequity in the Tax Code that affects literally millions in America—21 million self-employed people—but it is also going to provide for those truly deserving, so they can afford health insurance.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Indiana.

Mr. BAYH. I thank the Senator from Illinois and I yield 3 minutes to my colleague and friend, the Senator from Wisconsin, Mr. FEINGOLD.

Mr. FEINGOLD. Mr. President, I certainly thank the Senator from Indiana and the Senator from Illinois. I am delighted to be part of this effort, as three States in the Midwest link together to fight for this long-term care issue.

As the Senator from Illinois indicated, this debate all day and throughout this week has been about priorities.

By moving this bill, the majority has made clear that its highest priority is to grant tax breaks to the wealthiest 2 percent of the population. But there are other priorities that I think are more important than that.

Yes, some sensible reforms are in order to the estate tax for middle-income Americans and to address the special needs of small businesses and farmers. But we can do that and, by cutting back on the Republican plans tax cuts for the very wealthiest, still have money left over for other pressing needs.

One of our Nation's most pressing unmet needs is the acute and growing demand for help with long-term care.

As our country's population ages and as Americans live longer lives, we face a major long-term care challenge in the decades to come. And I do not think we are meeting it as a country. I think we talk about Medicare, we talk about Social Security—and those are critical—but this is really the third major piece that we are not adequately addressing.

Today, one in eight Americans are over the age of 65. By 2030, one in five will be.

Today, 4 million Americans are over 85 years old. By 2030, more than twice as many—9 million Americans—will be.

And already today, 54 million Americans—one in five—live with some kind of disability. One in ten copes with a severe disability.

The job of helping people with disabilities to deal the life falls heavily on the family. Four out of five primary helpers are relatives, and nearly half of these primary helpers live with the person with a disability.

And the burden on the family is not just emotional, but also financial. More than three-quarters of Americans age 22 to 64 with disabilities receive no public assistance.

The fact is, our Nation has no comprehensive long-term care system. Rather, patients and their families struggle through a fragmented, uncoordinated, and costly labyrinth.

Millions of vulnerable Americans cannot get the care they need. They cannot afford it, they do not qualify for the limited public funding available, or they simply cannot find the services they need.

Whenever people have a choice, they would rather get the long-term care they need in their own homes. If they can't get care at home, people want care as much like home as possible, in places like assisted living facilities. Nearly 4 out of 5 older Americans who need long-term care live in the community, and most receive no paid services.

This amendment would take one small, concrete step to help them out. Much more than this step is needed. But let us at least take this step. I urge my Colleagues to support the amendment.

What the Bayh-Durbin-Feingold amendment and the other cosponsors are trying to do and say is that instead of having this very narrow priority for the very wealthiest Americans, what we have to do is address a true crisis that will only get worse and to do something to assist people with these very difficult costs.

I thank the Senator from Indiana for the time and especially for his leadership on this issue.

Mr. BAYH. Mr. President, I thank Senator FEINGOLD and Senator DURBIN for their eloquent advocacy of this important issue.

How much time do I have remaining?

The PRESIDING OFFICER (Mr. CRAPO). The Senator has 25 seconds remaining.

Mr. BAYH. I yield back the remainder of my time, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, providing for America's long-term care needs is an important priority. An important way to help Americans provide for their long-term care needs is by providing various tax incentives.

We have already addressed many of these long-term care tax incentives in other tax bills the Senate has voted on. More recently, the Senate approved the various tax incentives for long-term care insurance and provided for an additional tax exemption for those who are caring for their parents who have long-term care needs.

Last year, the Senate approved a bill which would have provided tax incentives for long-term care insurance. Unfortunately, the President vetoed that bill. When we added these tax provisions to the managed care bill, my friends on the other side opposed these incentives.

I think it is fair to say the Senate has shown its concern towards helping Americans provide for long-term care. However, I must oppose this legislation for it contains a basic defect. It is built on the Democratic alternative to the House death tax repeal bill. In other words, it strikes the House death tax repeal and replaces it with the Democratic alternative.

For this reason, I oppose the amendment and urge my colleagues to vote against it.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, a few comments. Our colleagues are proposing a tax credit for long-term health care. The Senate has passed that in a couple of bills. We passed it on minimum wage. We passed it on the Patients' Bill of Rights, giving an above-the-line deduction.

There is a difference between a deduction and a credit. By a credit, they are saying: You should pay no taxes whatsoever. We are saying: You should get a deduction. There is a difference. With a credit, you are saying that is a better priority. The Federal Government has decided that is a better priority than your health care because people don't get a credit for their health care deductions. We are going to say this is more important.

I think it is equally important. As a matter of fact, the bill we passed said we should have an above-the-line deduction for health care and for long-term health care costs. We want to encourage both. But to say that one is more important than the other, as this bill does, by saying that long-term health care is more important than health care insurance, is a mistake. Most people would say they would rather have health care.

I noticed my colleague added expensing for self-employed. I am sure my friends are aware that I am very much a proponent of that. We have led the fight to make that happen. Incidentally, we have already passed that as well. We passed that on the minimum wage bill. We passed it on the Patients' Bill of Rights. I assure my colleagues, before any minimum wage bill passes, this is going to be part of it.

What my colleagues are not telling people is, they are including with it an amendment that basically guts the estate tax provision that we have in this bill. You go in and tell employers: We want to make sure that you pay estate taxes. And if you pay estate taxes, your minimum rate, the beginning rate, under the Democrat proposal, is 37 percent. If you have a taxable estate of $2 million, you will be paying 37 percent. I don't think they would think that is a very good deal. Small businesspeople would say: You didn't do me any favors.

I urge my colleagues, at the appropriate time tomorrow, to vote against this amendment.

I yield back the remainder of our time.

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized to offer an amendment.

AMENDMENT NO. 3844

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 3844.

The amendment is as follows:

(Purpose: To preserve budget surplus funds so that they might be available to extend the life of Social Security and Medicare)

On page 2, line 16, after ''is hereby repealed'', insert the following: ''for estates up to $100,000,000 in size''.

Mr. FEINGOLD. Mr. President, this is a very simple amendment. It limits the estate tax repeal for estates over $100 million.

As I mentioned earlier on the floor, this debate is about priorities. In particular, it is a debate about where we should devote our resources. This amendment provides a clear, easily definable choice.

Many Members have indicated that reforming the estate tax, especially for small businesses and farms, should be a priority of the body. I am sympathetic to that goal. Let's face it, Mr. President. This bill goes much further than addressing that targeted concern. As it rests now, the bill leaps far beyond any commonsense definition of modest estates and provides massive tax relief to

the extremely wealthy, even to multi-millionaires.

How can anyone suggest that providing such massive tax relief to multi-millionaires should be among our highest priorities? They seem to be doing very well. There are millions of Americans who have more pressing needs.

Fiscal prudence dictates that we exercise restraint in considering the disposition of projected budget surpluses. First and foremost, of course, these surpluses may never materialize. But even granting or assuming they do, there are many competing needs for this limited pot of money. Providing a massive tax cut to estates of over $100 million is not the best, highest use of the projected surplus.

When we increase spending, we are implementing policies that benefit some while increasing the fiscal burden on everyone else. We are engaged, of course, in a zero sum enterprise. There is limited money. Milton Friedman's famous quote is: Of course, there is no free lunch. This is true of tax cuts as well.

Every time we lower our tax rate or create a new tax loophole, the tax burden on everyone else increases. Specific tax cuts or spending increases come with a price. They come at the expense of other tax cuts or spending increases or they come at the expense of a higher national debt.

Way too often, as we do our work, the choices we weigh are heartbreakingly difficult. They truly are. This is not one of those cases though. It may make some sense to increase the current exemption on estates, but it makes no sense at all to repeal the estate tax for the handful of estates over $100 million.

Mr. President, surely the supporters of estate tax cuts must agree that eliminating the estate tax on the handful of estates of over $100 million is not our highest priority, or anywhere close to it. It is not even in the ballpark. When I first ran for the Senate back in 1992, the central issue of my campaign was reducing and, hopefully, eliminating the Federal budget deficit —the result of a decade-long binge of self-indulgent fiscal policies. When I came into office, the deficit stood at about $340 billion. Today, we hope to have a balanced budget for the second year in a row. That, of course, is a remarkable achievement. It came, in large part, because of the tough choices we made in 1993 and, to a lesser extent, in 1997. Nobody can credibly argue that our greatly improved budget position, as well as the sustained economic growth we have experienced, are not, in part, the result of the tough choices we made.

I think it would be tragic if Congress now squandered all that has been achieved to appease a handful of enormously wealthy interests—interests, it should be noted, that have been the greatest beneficiaries of our strong economy and, thus, of the fiscal responsibility shown in 1993.

This last point bears some emphasis because so often the tax cuts we have seen proposed by the majority have the immediate effect of benefiting the very well off in our society, while in fact the policy that most benefits the well-to-do is fiscal restraint, not politically appealing tax policies.

Let's exercise just a little bit of restraint. It is a very modest proposal that we just cut this thing off at a $100 million estate. I hope my colleagues will consider adopting this amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FEINGOLD. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, the way I look at the Tax Code, I think it should be fair; it should be uniform. It is interesting to hear people say: This tax only applies to 2 percent, so let's sock it to them. They have been enormously successful. So what is the right rate? Is it 55 percent or 60 percent, as it is on Americans today? Are my colleagues aware of the fact that if you have a $10 million taxable estate, the death tax is 60 percent?

I know my colleague says he picked a higher figure, $100 million, and that is only 55 percent. Incidentally, he didn't mention it in his comments, but he also eliminates the stepped-up basis. That means you will have a much greater capital gains tax. So you have a 55-percent rate and you have capital gains. It is a really heavy hit. Uncle Sam will get over half.

What is fair? It is easy to demagog and say those guys are supporting tax cuts for the wealthy. That is hogwash. What is fair? If somebody works their entire life and has enormous success and builds up a company—and say it is worth $100 million, which is great—and the principal dies and their kids want to operate that plant, they don't want to sell it. Uncle Sam is entitled to 55 percent of it? I don't think so. What is fair about that or uniform about it? I don't think it makes sense. Maybe they want to continue that.

I can think of a lot of businesses—for example, Bechtel Construction is one of the world's premier construction companies; it happens to be a private business. I am sure it is worth a lot more than this. If the principal owner dies and his kids want to run it, the Government can say, no, we want half. What is right about that? Maybe I shouldn't mention anybody by name. They have never contacted me on this issue.

My point is, where is the Government's right to say that? He said we are squandering ''our'' resources. How is that the Federal Government's resources? They are the ones who built up these companies, but the Federal Government is entitled to take over half of it when somebody dies? Don't say, well, those estates are getting away from taxes because, under our proposal, when the property is sold, they pay capital gains. That rate is 20 percent; it is not 55 percent. To me, it is a lot more manageable. That is a taxable event just as it would be on any American. But it is basically when the property is sold, not when somebody dies.

We want to eliminate the death tax for all Americans, not just wealthy Americans. They should not have to pay a tax on death. The taxable event would be on the sale of the property—when and if they sell the property. The kids would receive the property and keep running the business; there is no tax. If they sell the business, there is a tax. They pay capital gains.

Under my colleague's proposal, they pay a whole lot more tax because he eliminates the stepped-up basis as well. You keep the extra high rates, and you also have no stepped-up basis and capital gain. So you hit them really hard.

Why don't we just make it 100 percent? Let's just eliminate anybody who accumulates wealth that happens to be over $100 million. Then we won't have the entrepreneurs; we won't have the Microsofts; we won't have the Oracles or the other high-tech companies; we won't have the young entrepreneurs who are building and expanding these businesses in our country.

You can go to a lot of countries that don't have taxes on estates. It is pretty easy today to start a new business in high technology. You can go to other countries easily because they want the entrepreneurs; they will welcome them in because they realize that is the engine of a growing economy, and it is fantastic, so they will give great benefits.

We have one of the highest estate taxes in the world. Some of my colleagues say: Let's only have it on the wealthy, successful people; we will really sock it to them. I think that is really unfair. The Tax Code should be uniform and fair. As a matter of fact, I think of the Constitution where I read that the Tax Code should be uniform. Now when people say we have to increase the exemption so much that we will sock it to the wealthy, the rates already at 55 percent—60 percent for some Americans—that is way too high. We say, wait a minute, the Tax Code should be uniform. Let's eliminate the tax on death on all Americans—not just wealthy Americans but on all Americans—and have the taxable event when the property is sold on wealthy Americans as well. They can pay 20 percent just as any other American does.

To me, that is fair, uniform and, frankly, would probably raise more money because wealthy people have

figured out lots of ways to get around estate taxes—through foundations and other little gimmicks. They hire lots of attorneys and successful people and pay them lots of money every year to make sure they pay no tax.

It would be very interesting to know how much money is utilized—some say wasted—but generated to avoid this tax or how many businesses aren't expanded to avoid this tax.

If my colleague's amendment would pass, how many successful people would flee to another country to expand their business and grow their business so they would not be faced with the situation where they worked their entire life for success, and they happen to die, and Uncle Sam says: Thank you very much; we want 55 percent. Thank you for your efforts, but those are ''our'' resources. Ours? The Government didn't build that company, but the Government is entitled to over half of the estate. The power to tax is the power to destroy.

I urge my colleagues to vote no on this amendment at the appropriate time tomorrow.

The PRESIDING OFFICER. The Senator from Wisconsin has 5 minutes 26 seconds.

Mr. FEINGOLD. Mr. President, in listening to the Senator from Oklahoma, you would think I were up here proposing for the first time in American history that we implement an estate tax or that perhaps it was something created in the heart of the 1960s as an extreme, liberal idea, and that finally the Republican majority were going to eliminate it.

That isn't the truth at all. The fact is, as I understand it, this kind of tax has been around for about a hundred years. When the Senator from Oklahoma condemns the idea of having some kind of limitation on a tax that has been there for decades and decades, in fact, I voted for it, and I assume the Senator from Oklahoma, on a number of occasions, voted for increasing the exemption. He has not taken the position in the past that it must be completely eliminated; otherwise, it is not worth increasing the exemption.

That is all this amendment does. It goes awfully high. My amendment says we are going to completely eliminate the estate tax in estates of up to $100 million. In other words, this gentleman that the Senator from Oklahoma is concerned about leaving the United States, under my proposal, would have the first $100 million of his estate exempted. If he is going to take off after the first $100 million is exempted, I really question his business judgment. He has to leave the United States because somehow he is going to be taxed over $100 million?

Let's face it—and I hate to use this term—but when you start talking about over $100 million and having to pay some kind of tax, just as people have always had to pay in this country, the word ''greed'' comes to mind rather than ''business judgment.'' There is no need in the pressure of this society to provide an exemption to the estate tax on over $100 million. It would be absolutely clear. Under my amendment, up to $100 million is still covered.

Why in the world can't people at that level at least help us out a little bit? Under current law, they are not getting this break anywhere near this level. But I am suggesting once we hit this extreme level, the real extreme idea here is to have no estate tax at all. That is the point.

The question is, What should the exemption level be? I am suggesting there is number up in the stratosphere. It is just absurd to provide this kind of benefit.

I would suggest that almost any average American you would ask would say, sure, if somebody is at that level, it is reasonable and fair to say they ought to pay some estate tax.

That is all this amendment tries to do.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, again, I want to be very clear. I can think of a female entrepreneur in Oklahoma building a business. It has been very successful. She built it basically from scratch. I am going to guess it is worth $100 million. For this hypothetical example, it is worth $100 million. I bet it is. This business has worldwide sales in pies. She will know who I am talking about. They have had great success.

The value of that company probably 20 years ago was probably less than $1 million. Today, for this purpose, it is worth $100 million.

Let's say she is the sole owner of the company and she dies. Under the Democrat proposal of my colleague from Wisconsin, the tax would be 55 percent. Once you get to the higher levels, you don't get to phase in. That is $55 million—55 percent.

Under his proposal, also you would lose the stepped-up basis, which is kind of complicated. Basically, it means you go back to the zero basis of what it was.

Since the value was almost $1 million, or nothing, 20 years ago, you are going to have to pay another 20 percent on top of that. For this $100 million corporation, say, her sole survivor who wants to inherit this company and keep it running has to pay a tax bill in the neighborhood of about $75 million out of a $100 million company.

What is right about that? What is fair about that? Nothing, zero.

Again, taxes should be uniform. They should be fair.

This amendment is written to demagog. This amendment says: Yes. These tax cuts are really going to benefit people making even over $100 million.

My point is that the Tax Code should be fair and uniform. If we are not going to have death taxes, they should not apply to anybody. Conversely, if we eliminate the tax on death for everybody, including the people over $100 million and under $100 million, all would pay capital gains. So when and if that business is sold there would be a capital gains tax. It would be 20 percent. If you have a $100 million business, or gain in property, and they sell it, the Federal Government would get $20 million.

Isn't that enough? Why in the world would my colleague think the Federal Government under present law and under my colleague's proposal should get over 50 percent? Why would the Federal Government be entitled to 60 percent or 75 percent of that business under his proposal? He taxes them twice.

Under the proposal of my colleague from Wisconsin, the estate would pay twice: once at the death based on the appraised value, and again when the asset is sold without a stepped-up basis.

You couldn't be more unfair. If you are going to go to 75 percent, why don't you make it 100 percent?

This idea of it being the resource of the Government when somebody dies belongs in the Kremlin. It doesn't belong in the United States.

I urge my colleagues to vote no on this amendment.

Mr. ROTH. Mr. President, on behalf of the leader, I move to commit the bill to the Finance Committee to report back forthwith with the text of H.R. 8.

I send the motion to the desk.

The PRESIDING OFFICER. The motion will be received.

Mr. ROTH. Mr. President, this motion, if adopted, sends the death tax repeal directly to the President for signature. This avoids the uncertainty of a conference, expedites our tight floor schedule, and removes the possibility that floor consideration of a conference report could be delayed and blocked altogether.

I ask unanimous consent that all time on both sides be yielded.

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

Mr. INOUYE. Mr. President, my colleague, Senator AKAKA, and I wish to engage the floor managers of the bill—the chairman of the Finance Committee, Senator ROTH, and the ranking member, Senator MOYNIHAN—in a discussion on the eventual compromise for estate tax relief.

As the distinguished floor managers and all Senators are well aware, the present strategy in this election year is for the Senate to pass H.R. 8 without any change. The majority will vote down all amendments and pass the bill in the exact form as received from the House. the Senate can thus avoid a conference with the House and send the

bill immediately to the President to be vetoed.

The President repeatedly has said that he will veto H.R. 8 in its present form. But the President has added that he is willing to work with the Congress on a bipartisan basis to enact appropriate estate tax relief for small businesses and family farms. So, if any estate tax relief is to be enacted this year, it will occur as part of an eventual compromise on an omnibus legislative, tax, and spending package in September.

Senator AKAKA and I have raised with the distinguished floor managers the need to expand eligibility for deferral and installment payment of the estate tax.

Current law allows qualifying estates a 4-year deferral followed by 10-year installment payment of the estate tax liability arising from certain qualified interests in closely held businesses. The estate tax is not avoided or reduced but only deferred. The Treasury will receive the same amount of tax with a discounted rate of interest, but the family gets a longer period to pay the tax. This relief has proven successful in that closely held and family businesses can continue to operate and keep their workers employed while using business earnings to pay off the estate taxes.

The present deferral and installment payment relief was part of the Subchapter S Act of 1958. Congress in that Act used the same eligibility requirement for Subchapter S tax treatment of closely held businesses and for estate tax relief. Years later, eligibility was broadened for qualification under Subchapter S, but not for estate tax relief. Current eligibility for estate tax relief is too narrowly restricted.

When the expected year-end negotiations between Congress and the President turn to estate tax relief, would the distinguished bill managers seek to widen eligibility for deferral and installment payment for closely held businesses?

Mr. AKAKA. If the senior Senator from Hawaii would allow me to interject before the distinguished floor managers respond to his question, I wish to explain the need for this relief measure.

According to witnesses who have testified before Congress and tax experts, the estate tax poses a dire problem for family-owned and closely held businesses. The owners typically have all their assets tied up in the business, and they have re-invested all their profits to make the business grow. When the owners die, the estate tax must be paid within 9 months and in many cases the families will have to sell the businesses to pay the tax. With only 9 months to pay off the estate tax, the families are often forced to settle for whatever price they can get. Now, rather than face such a fire sale, many business owners will sell their businesses while they are still alive so that their families can get a fair price. Many family-owned and closely held businesses do not show up on estate tax returns, because they have already been sold off in anticipation of having to pay the tax.

Recognizing the liquidity problem that the estate tax imposes on closely held businesses, the Treasury Department has suggested that the number of owners permissible in a qualifying business should be raised from 15 to 75 so that eligibility for estate tax deferral and installment payment can be consistent with Subchapter S qualification. In the House, Representative CAROLYN MCCARTHY, together with various members of the Small Business Committee and Representative NEIL ABERCROMBIE, have advocated this proposal as H.R. 4512. This is the proposal that Senator INOUYE and I have raised with the distinguished floor managers. Am I correct in my understanding that the senior Senator from Delaware and the senior Senator from New York will favorably consider this proposal for inclusion in the eventual package of estate tax relief measures?

Mr. ROTH. The two Senators are correct in their understanding. I personally do not believe that the federal estate tax should force the sale of closely held and family-owned businesses.

Mr. MOYNIHAN. The Senators from Hawaii have identified a true problem with the estate tax, and they have proposed a very meritorious solution. Let me assure the two Senators that I will do all I can to include this proposal in any estate tax relief measure.

Mr. INOUYE. I thank the Senator from Delaware and the Senator from New York for their kind response.

Mr. AKAKA. I, too, join in expressing my appreciation for the distinguished floor managers' support.

Mr. DEWINE. Mr. President, I rise today in support of the ''Death Tax Elimination Act.'' This bill would reduce federal estate and gift tax collections over the next nine years, followed by full repeal in the tenth year.

Many of my colleagues have come to the floor and made compelling arguments for the elimination of the death tax. Many have argued that the death tax is unfair and even immoral in a sense. The death tax penalizes the most productive in our society and discourages savings and investment.

Mr. President, I agree with all of these arguments. Each of these arguments supply ample warrants for eliminating the death tax. And ultimately, I have concluded the estate tax stunts continued economic growth and provides only very limited federal revenues. Simply put, the negative economic and societal consequences of the death tax, coupled with— at best—very limited contributions to federal revenues simply do not justify its continued existence.

So, what exactly does the collection of this tax mean to federal revenues? In Fiscal Year 1999, the estate tax amounted to just 1.5 percent of all federal revenues, or $28 billion. While $28 billion sure sounds like a lot of money, when put in the context of overall federal revenue, it is difficult to comprehend just how inconsequential this amount really is. Given that, how can anyone make the argument that the estate tax is an essential part of our nation's tax code?

Mr. President, I said before that the limited benefits of the death tax do not justify its negative economic and societal consequences. What are these negative consequences? Studies indicate that the death tax results in lower savings, reduced capital accumulation, slower economic growth, and fewer new jobs. These studies simply confirm what our own common sense should have already made plain: Confiscatory taxes, such as the death tax, discourage industry and hurt the overall economy.

Throughout this debate, I have heard my colleagues quote seemingly contradictory statistics gleaned from different studies or economic experts. I am not going to engage in that sort of discussion. Instead, I am going to focus on the stories of some of my constituents in Ohio to help confirm the facts that many studies and my own common sense tell me are true.

Like many of my colleagues, my office has received hundreds of letters from constituents and their families who have been or will be affected by the death tax. One farmer from a small town in Fulton County, Ohio wrote: ''. . . the 'Death Tax' wrecks havoc on family farms when parcels have to be sold to pay estate taxes to the government. . . . We have paid our taxes on property, on our equipment, on our income and when its time to transfer our properties to our children, we do not want them to have the added burden of having to sell off assets to pay Uncle Sam.'' My staff followed up with this constituent to find out more about his story. This particular farmer, who is shy about having his name used, has been involved with agriculture his whole life. He grew up on a farm owned by his father. In 1969, he purchased land of his own for about $700 per acre. Since then, he continually has added land, and he now farms approximately 425 acres. In his words, he and his wife have sacrificed and ''skimped to make sure it works.'' He is now 53 years-old, with three sons, all of whom farm. When the time comes, he'd like to pass his farm on to his children. Unfortunately, his land and equipment are now too expensive to escape the death tax. Rather than become more efficient and perhaps grow his farm further, this farmer has begun the process of estate planning. If we do not eliminate this tax, it is quite likely that his sons will

be forced to sell land and/or equipment to meet the tax bill. This just isn't right.

A second story comes from Jerry Boes, of Antwerp, Ohio. Mr. Boes wrote: ''I have worked hard all my life and paid all my taxes on everything I own. Why does the government take away 50 percent of whatever might remain upon my death?'' Again, my staff followed up with Mr. Boes, who is now 62 years-old. It seems that around 15 years ago, he saw an ad in the local newspaper for opportunities to own a ''Subway'' sandwich shop franchise. He took a chance and almost lost his home in the process. Mr. Boes now says this: ''I took chances, stuck my neck out and paid my taxes.'' It has indeed paid off for him. He now owns six ''Subway'' stores and employs around 75 people on average. I am happy to report that he was able to keep his house, too.

Mr. Boes' story is representative of our American entrepreneurial spirit. It is a fantastic example of many Americans' struggle to own their own businesses. Unfortunately, he may have done too well. When he passes away, he'd like to hand the business down to his children. But, because most of his assets are tied up in land and buildings, his children will be forced to sell about 50% of his assets to pay the death tax. He has tried to do some estate planning on at least two different occasions to no avail. He has become so frustrated that he, and I quote, ''Just threw up my hands and gave up.'' Upon his death, I wonder what will become of his 75 employees?

Finally, there is a story of Erin Nyrop Glasgow from Dublin, Ohio. In 1952, her parents started an electrical contracting business out of the trunk of their car. They worked hard over the years to build up that business. The Sterling Electric Company currently employs 40 people. Again, this is another great story of our American entrepreneurial spirit—and one that we, as a nation, should be encouraging. In the early 1990's, Erin's parents convinced her to take over the company. They wanted to keep it in the family upon their passing. The death of Erin's father and the fact that another local family-owned business was forced to sell upon the death of its founder, really caused her to become aware of the perils of the death tax.

Now, she spends thousands of dollars, practically on an annual basis, in estate planning. These dollars could be used to grow the business, become more efficient, or hire new employees. She views monthly finance reports with trepidation. She is happy to find out that Sterling Electric is profitable. But, it is, in her own words, ''A double-edged sword.'' The more profitable she is, the more she'll lose upon her mother's death. Again, this is just wrong. The federal government should not, on the one hand, encourage businesses to grow and be more and more profitable, while on the other hand, threaten the loss of a family business for becoming too successful.

Mr. President, these stories tell more about the regressiveness and the simply unfair nature of the death tax better than any think tank study. Right now, we have an opportunity to eliminate this burdensome tax. This is an opportunity we simply should not miss. I urge my colleagues to support this bill, and I thank the Chair and yield the floor.

Mr. GRASSLEY. Mr. President, I want to make a few comments regarding the need to repeal the estate tax. The United States has had an estate or death tax of some form since 1916. The current version of the death tax came into existence after the Tax Reform act of 1976. This change combined the estate and gift tax structures in one gift and estate tax system, which is essentially a wealth transfer tax. Of course, that's what many on the other side stand for—they want to transfer your money to the federal government so they can decide how your money will be spent.

The Public Interest Institute at Iowa Wesleyan College has recently released a Policy Study entitled, ''A Declaration of Independence from Death Taxation: A Bipartisan Appeal.'' The director of the Institute is Dr. Don Racheter, who I know and respect very much. I'd like to thank Dr. Don Racheter for his help with providing this information. The study was written by Edward McCaffery of the University of Southern California Law School and Richard Wagner of George Mason University. I'd like to just mention three points made by the study. These three points show from both a liberal and conservative perspective that the death tax should be repealed.

First, we've heard the other side argue that this repeal really only affects the wealthiest of taxpayers. So, once again, the other side has rolled out the old, tired class warfare argument. The fact is the death tax affects nearly everyone, not just the wealthy. In fact, a 1999 poll showed that 84 percent of the people surveyed believe the estate tax affects other groups of Americans besides the wealthy. Anyone who owns a family business knows that the estate tax creates major hurdles for small and large family-owned enterprises, which in turn negatively affects local communities. While only about 2 percent of inherited estates are large enough to actually fall under the death tax, millions of more people have to spend substantial amounts of time and money planning their way around it.

All of society loses opportunities by these avoidance procedures. Such tactics are costly, inefficient, and they monopolize many professionals who could be spending their time on more productive endeavors.

The study also shows the death tax damages the patterns of work, savings, and capital information by encouraging taxpayers to slow their work and savings, give money away whenever possible, and spend the rest so they can die broke. By encouraging people to avoid this tax, we are damaging the entire system.

A second point the study makes is that the death tax does not provide the government with extra funds for social purposes, which our friends on the other side have been advocating. It only generates .01 to .0125% of the federal budget. More importantly, the amount of revenue collected from death tax filings has a negative impact on other forms of tax revenue and cash flow. This includes restricted savings and capital formation, hindered creation and growth of private family enterprises, lower amount of jobs, and a lower personal income. These effects lead to the loss of revenue from income taxes which is equal to or greater than that collected from the death tax.

So, when you add up the cost of collecting for the death tax, we do not gain much, if anything for our efforts.

I've heard these Treasury numbers of a $750 billion cost over 20 years or so from the other side. The Minority Leader mentioned the $750 billion number. Then, the senator from Minnesota, Senator WELLSTONE, upped it to $850 billion. Then, we heard Senator BOXER come up with a trillion dollar number. Among the three of them, they've already lost $250 billion!

And, of course, this close to the election, the Treasury Department is acting like an arm of the Democratic Party throwing numbers out of thin air to justify their cause. These estimates are about as believable as a Treasury three dollar bill. It's important to remember that many estates will lose their stepped-up basis under this repeal bill. Then, once the assets are sold, there will be a sizable capital gains tax on the entire appreciated value of the estate.

So, the government will still get a substantial amount of money from these estates over the long run, despite what the Treasury Department and the other side would have you believe.

Third, finally, we hear the argument that if the estate tax didn't exist, taxpayers would give less to charity since they wouldn't have to avoid the tax. I hope no one took seriously the so-called estimates that the senator from California alluded to, citing some ambiguous Finance Committee estimates that charities would lose $250 billion if the estate tax is repealed. I assume these estimates were created by the other side. So, once again, we have the Democrats conjuring up their own facts to make their arguments.

Beyond the cynicism of this charitable giving argument, the study argues that the tax exemption for charitable giving does not necessarily benefit private philanthropy. If encouraging charitable giving is going to be the goal of a tax, more specific income tax laws need to be made.

The study makes the point that this charitable giving claim is based on the assumption that the tax works as a subsidy to charitable bequests. In reality, the cost of one dollar of giving, no matter the tax rate, is one dollar. The death tax is neutral towards charitable bequests as long as these bequests are exempt from tax.

Keeping a complicated death tax to encourage charitable giving is not worth the economic and social costs to the government and the taxpayers.

Mr. President, the estate tax does not accomplish any of the goals it's supposed to. It doesn't raise money overall, or promote well-being. It stands in the way of human progress and encourages wasteful and time-consuming financial planning. I hope we repeal this complicated and inefficient tax and I urge everyone to support this effort.

Mr. GORTON. Mr. President, I strongly support elimination of the federal Death Tax. The Death Tax is an injustice that should be removed from the tax code. The bill the Senate is considering, which passed the House of Representatives with a large, bipartisan majority, takes a responsible approach to ending the Death Tax by phasing-out the tax rate over a decade, and at the end of that decade eliminating the capital gains step-up in basis and creating a carryover basis to treat families with fairness upon the death of a loved one.

It is simply wrong for the Tax Collector to knock on a grieving family's door to collect taxes on the life's work and earnings of the recently deceased. There are those who charge that the Death Tax affects only the richest Americans. Apparently, they have never met the Revesz family from Battle Ground, Washington. Peter and Jane Revesz are family tree farmers, and they recently wrote to me to express their fear that the federal Death Tax may mean their farm will have to be sold and the forestland lost to development. To those who claim ending the Death Tax affects only the rich, I challenge you to listen to their words. Peter and Jane wrote to me that the Death Tax could cause the ''loss of so much of our farm and timber to taxes when we die that our children and grandchildren will lose the farm. . . . For us to have sustainable, productive timber on a family farm means that every year or two we need to have a small harvest and that the profits go to the family. To accomplish this in a 60 or more year cycle it is necessary to have a considerable value in the timber so that there can be small but steady harvest and reforestation over a long growth cycle. If much of this long-term crop is lost with each generation to estate taxes, it is impossible to continue a sustainable income for the family or a sustainable annual supply of wood products for the public. Often if a family loses a tree farm, that land becomes something other than forestland. If one family cannot make it, probably the next one cannot make it.''

These are not the words of the greedy rich, they are the honest words of hard-working Americans who simply question why part of the farm they have built-up must be sold to pay the government because they die. Uncle Sam did not maintain and care for the farm, why is the government due a portion of it upon the death of its owners?

I have heard from many constituents who share this very real fear that the Death Tax will cause their children to have to sell the family farm or business to be able to pay the Internal Revenue Service.

Oak Harbor Freight Lines is a family owned business in Auburn, Washington, about 15 miles outside Seattle. Ed Vander Pol and his brother David began working at the business in the early 1970s when Oak Harbor had around 100 employees. As the years went by, Ed and David bought the business from their father and grew it to where it is today: a thriving regional trucking line with over 1100 employees. Out of those 1100, over 700 are union workers; Teamsters, mainly, driving the freight trucks and doing other jobs within the company. Naturally, Ed and David would like to keep this business in the family, and not have to sell the company to a larger, national carrier when they die.

But for all their hard work, the Vander Pol's have been rewarded with uncertainty about their company's future. They must pay a yearly life insurance bill of over $150,000—dedicated solely to helping their children pay the onerous Death Tax bill that will be due, in cash, nine months after Ed or David dies. If not for the Death Tax, this money would be re-invested in the business and its people, growing the company and providing additional well paying jobs to people in the Seattle area.

Why should Ed and David's children have to pay a tax to the federal government upon the death of their father? Those who fight elimination of the death tax refuse to answer this basic question; they refuse to justify its existence. Instead of directly telling the American people why they oppose ending this disgraceful tax, they choose to dust-off tired ''tax cuts for the rich'' rhetoric. The American people deserve honest, straight-forward answers: Those who oppose elimination of the Death Tax simply believe they know better how to spend your money than you and your children. They want to control your pocketbook both when you are alive and when you are dead. They oppose tax reform and tax cuts, whether it is ending the death tax or fixing the marriage penalty, because it means less money for them to spend from Washington, DC.

Ending the Death Tax is about protecting hard work, honoring responsible saving and investment, and protecting family farms and small businesses. The federal government should stop punishing those who pursue the American dream and restore some fairness to the tax code by eliminating the federal Death Tax.

Mrs. FEINSTEIN. Mr. President, I rise today in support of the repeal of the estate tax.

I support the repeal of the estate tax because, on a very basic and fundamental level, I believe that the estate tax is unfair.

In some respects, for example, the estate tax amounts to double taxation, taxing, at times at a confiscatory rate in excess of 50 percent, assets which were already taxed when the income was earned. Regardless of how much or how little, if you have earned money, and paid taxes on it, you ought to be able to pass it on to your children without it being taxed yet again.

I also believe that it is critical to our continued economic growth and prosperity that small business owners and family farmers be given every incentive to work and grow their business, and to be able to pass those businesses on to their children to run and grow.

If a family works for years to establish and grow a business, an heir should not find that they are forced to sell the business simply to pay taxes on it, or that they must assume a crushing debt burden—which may well make the continued survival of the business untenable—simply to pay the taxes.

That is not fair, not right, and not what the American dream is all about.

In addition, because of soaring real estate prices, the estate tax is unfair to many middle class residents of my state who never thought, planned, or expected to find themselves subject to the estate tax. And the simple fact of the matter is that they should not be subject to the estate tax.

As I am sure many of my colleagues are aware, in recent years housing prices in California have gone through the roof. Modest two and three bedroom houses in many parts of California now sell for close to three-quarters of a million dollars.

These are not mansions, but simple and straightforward middle class houses—two or three bedrooms, perhaps a small back yard—in modest neighborhoods.

But because of the soaring value of their homes, many middle class families with modest incomes now find that they would be faced with having to pay

estate taxes simply because of the value of their family home.

With few other assets other than their primary residences, a parent who wanted to pass on the family home to his or her children would find that their children would be forced to sell the family house simply to pay the estate taxes on the house itself.

That is not fair and that is not right.

Mr. President, I can think of few things that this Congress can do in addressing tax reform this year that are more important than repealing the estate tax. I urge my colleagues on both sides of the aisle to join me in support of estate tax repeal.

Mr. MACK. Mr. President, I urge all of my colleagues to vote to bury the death tax once and for all. This tax is anti-family and anti-capitalist, smothers the American Dream, and is rationalized only by the greed of government and envy of success.

The debate over death tax repeal highlights, as much as any issue that we will consider, a fundamental difference in philosophy among members of this body, and between the Republican Congress and the current Administration. We in the majority believe that the federal government has no right to claims the lion's share of any person's wealth just because that person had the misfortune of dying. The proponents of the death tax think otherwise.

At the root of this philosophical difference are two vastly different views of the nature of wealth creation and its role in society. The supporters of the death tax seem to harbor a pessimistic, zero-sum view of wealth—the belief that every dollar saved by one person is one less dollar for the rest of us. This belief makes it easier to argue that a ceiling be placed on the level of wealth attained by any individual or family in America—people justify the confiscation of wealth above this level by attacking as greedy any family that seeks to accumulate more at the expenses of the rest of society.

But this view is flawed. There is no finite limit to the amount of wealth that can be created in a society. People become wealthy in a market economy by satisfying the wants of others. Wealth is not a windfall to people with natural intelligence or ability, or who happen to stumble across valuable resources; it is created by providing consumers the goods, materials, and services that they desire at a price that does not exceed their estimate of its value.

When one understands this concept, the death tax cannot be justified. If Bill Gates had chosen a career as a government bureaucrat instead of being a software entrepreneur, the tens of billions of dollars he has amassed in wealth would not have been distributed to others in society—instead, this fortune would never have been generated. It came about because Mr. Gates has provided goods and services to the public that they valued as much or more than the price he charged. Every voluntary exchange between that free individuals in a market economy creates wealth, and the businesses that provide the most consumer satisfaction will create the most wealth. When those goods and services are not offered, this wealth is not created, and everyone in society is poorer because their preferred choice does not exist.

Proponents of the death tax argue that the heirs and legatees of an individual's fortune did nothing to deserve this bounty. Since it is a windfall to these individuals, why shouldn't the government get a piece of the action? Some death tax supporters go one step further, and have argued on this very floor that, unlikely the heirs, the government has a claim to this wealth because it is responsible for the prosperous American economic environment. This argument amounts to the claim that, since government refrains from confiscating property while people are alive, the government is entitled to confiscate upon death.

It makes no sense to terminate property rights at death as the price to pay for their protection while living. The inheritors of property have a right to the property not because of anything they have done, but because it is the will of the decedent. If people cannot leave to their family and friends the wealth they create, they lose the incentive to create it. The higher the rate of death tax falling on their estate, the smaller, the motive to invest in and build a business. The inheritors of property have earned the right to receive it, because they served as the motivation behind the creation of wealth beyond what decedents would consume in their respective lifetimes.

It has been estimated that the death tax will cost the economy almost one trillion dollars over the next decade and almost 275,000 jobs in large part because it robs people of the incentive to invest. I regularly receive letters from older constituents explaining that they have no desire to reinvest profits in their business only to have the government claim 55 percent of the business's increase in value. I am sure all of my colleagues receive similar letters.

The death tax robs people of the incentive to build up their businesses, smothering the American Dream. The death tax eliminates the jobs that these discouraged entrepreneurs would have created. The death tax reduces the savings pool, reducing capital investments and reducing future productivity. The death tax reduces the choices of goods and services available to consumers. And, perhaps worst of all, the death tax places the interest of government over that of families.

Why do we have to impose a tax upon death? Every person spends a lifetime paying taxes on the earnings from which their life savings comes. The income from inherited assets, such as stock dividends or business profits, will be taxed as it is earned. And, under our death tax repeal bill, any capital gain above the exemption amount will result in capital gains taxes when the asset is actually sold. Why the hurry to impose a tax at the time of death, a tax which forces families to sell land, personal property, and business interests that had been in the family for generations?

The only reasons are the greed of the government and the death tax supporters' disapproval of inherited wealth. Under current law, the federal government will be collecting over $4 trillion more in taxes than it is budgeted to spend in the next decade alone. It is the federal government that needs a limit to its ability to enjoy the fruits of the hard work of our taxpayers, not the families of these taxpayers.

The supporters of the death tax seem genuinely puzzled that the American people, in poll after poll, overwhelmingly support repeal of the death tax. They cannot understand why do many people would oppose a tax that directly affects so few. But the American people understand economics much better than the death taxers. They recognize the loss of jobs and opportunity. They also harbor in their hearts the dream that one day they, too, might be so successful as to amass the wealth that is subject to the confiscatory rates of the death tax. But, most of all, they recognize that a tax may be unfair even though it targets a small segment of the population—indeed, a tax may be unfair because it does so. This part of the American spirit does not seem to be appreciated by the death taxers.

Mr. President, the specter of the federal death tax should no longer hover over our citizens, waiting to swoop down and confiscate the savings that has taken a lifetime to build. I urge all of my colleagues to vote for the Death Tax Elimination Act.

Mr. JOHNSON. Mr. President, I rise to talk about the estate tax repeal bill which is currently pending before this body. Like all of my colleagues, I deplore conditions that lead to families losing their family businesses and farms. The family farm is at dire risk of becoming extinct. Some of my colleagues want to attribute this to the estate tax which they claim prevents succeeding generations from carrying on their heritage. Rightfully, that blame belongs to a failed farm policy more than a progressive tax policy. The failed Freedom to Farm policy has driven more farmers out of business than any inheritance tax.

In my state of South Dakota, 102 estates had to pay federal estate tax in 1997. That figure amounts to .2 percent of all estates for that year. I support bringing more relief to the bulk of

these estates that are trying to pass down family businesses and farms to their children, but the proposal before us does nothing for these families for ten years while bringing immediate help to the elite of the wealthy.

The House passed plan essentially does nothing for most estates that pay the estate tax over the next decade. The benefits go only to the super-rich worth almost $4 million. Only after ten years will the family farmer and small business owner see any benefit. At that point, the entire estate tax is eliminated, exploding a $50 billion annual hole in the budget.

I support some estate tax relief aimed at preserving family farms and small businesses. Under current law, a couple with a farm or business worth up to $2.6 million can give it to their heirs tax-free. Our approach would raise that to $4 million, which would mean that only 1 out of every 100 estates would face any federal estate tax.

But it would not help the super-rich, as the Republican proposal would. The federal estate tax is a progressive tax. In 1998 more than half the money collected came from estates of $5 million or more. There were exactly 2,898 such estates nationwide. In other words, the Republican plan is aimed predominantly at helping the richest of the rich in our country. Fewer than three thousand estates would get the bulk of this tax break. Three thousand of the richest families in America would benefit.

I do not begrudge the wealthy their position. Wealth is often accumulated through hard work, serendipity and more hard work. However, there is no compelling public policy reason to give the largest single tax break in American history to those fortunate enough to be born into the right families, and expend so much revenue doing so that nothing is left for tax relief for the middle class, paying down accumulated national debt, improving schools, Medicare or veterans health care. Especially when we have such critical needs elsewhere in our society. The majority wants to give a tax break to fewer than three thousand families that will cost over $50 billion annually. The Democrats want to help families maintain their small businesses and family farms, and we can do that for $20 billion per year. With the remainder of that money, we can help millions of Americans meet their basic needs such as helping with extraordinarily high prescription drug costs, child care or education related expenses.

Why is it that the Senate can somehow find all this time to debate tax bills, which I agree are legitimate and important issues, but we can't find the time in this body to debate the number one issue facing the elderly and disabled in this country—rising prescription drug expenses?

Not only should we be here today questioning why it is not good policy to only give enormous federal tax breaks to the super rich but maybe we should also be questioning the huge tax breaks that go to the multi-million dollar drug companies. As reported by Fortune 500 magazine earlier this year, the pharmaceutical companies once again represent the most profitable industry in this country with profits three times that of other industries. These are the same companies that are price gouging millions of elderly senior citizens throughout America, many of whom can't afford their daily medications. Millions of individuals who Congress thus far has said ''no we can't help you this year because we don't have the time to debate prescription drug proposals''. Instead, we are saying to the American public that we can find the time and money to pass a fiscally irresponsible estate tax bill that will probably not help any of the millions of Medicare beneficiaries who struggle between paying for their prescription drugs and groceries.

I think we should do both. I believe we could pass a meaningful and fiscally responsible estate tax bill and still have resources available for addressing critically important priorities such as prescription drugs. Instead, my colleagues on the other side of the aisle want to use all of these resources solely for a bloated estate tax bill that will benefit only three thousand families.

Prescription drug prices are skyrocketing at unfathomable levels and drug expenditures have grown at double-digit rates during almost every year since 1980 and more than twice the rate of all other health care expenses. Not surprising, the elderly and in particular elderly women, see the largest increases. Combine this crisis with the fact that the Senate has less than eight working weeks left this year and held only one floor debate on a prescription drug bill thus far, which was forced by members on this side of the aisle, and you find the picture for the American senior looking very bleak. If we cannot address the prescription drug issue now, then when?

I am committed to helping seniors and those disabled on Medicare afford their prescription drugs. Equally, I am not going to stop fighting for lower prescription drug prices for Americans who pay by far more for prescription drugs than people in other countries.

Several bills that I have sponsored this Congress aim to address the problem of escalating prescription drug prices. However, these and other prescription drug bills have been the target of an aggressive multi million dollar advertising campaign, operated by the pharmaceutical industry and their so called front group called Citizens For Better Medicare, aimed to kill any hopes of prescription drug legislation this year. In fact, I question just how many ''real citizens'' are behind that name? According to Public Citizen the drug industry is on pace to spend nearly $14 million every election and another $150 million every two years lobbying Congress to protect its incredibly high profit rates. This is the classic case of the role of big money in politics: the industry takes in billions in profits from high prices and gives out millions in campaign contributions to make sure Congress protects those profits.

The time for Congress to act on providing an affordable, accessible prescription drug bill, while at the same time addressing skyrocketing drug prices, is now. Congress cannot be bullied by the big drug companies pocketbook any longer. Better yet, the American public cannot wait any longer. In the next couple of days the Senate may take up yet another tax bill and we will again be faced with an opportunity to address such critical priorities as prescription drugs. But I guess the American public will have to stay tuned as to whether or not we will even be given the opportunity to debate one of the greatest issues facing our nation.

ESTATE TAX ELIMINATION ACT

Mr. CAMPBELL. Mr. President, I intend to vote for H.R. 8, the Death Tax Elimination Act, as amended. On January 19, 1999, I introduced the companion bill, S. 38, to the original House bill, along with my colleagues, Senators MACK and HUTCHISON. I felt then, as I do now, this legislation is of vital importance to farmers and family business owners.

Since the time that I introduced the original companion to H.R. 8, I have heard from hundreds of Coloradans and numerous national organizations about the need to eliminate this burdensome and overreaching tax. I believe that eliminating this tax is a fundamental issue of fairness. Death should not be an event government prospers from.

Estate and gift taxes continue to be an enormous burden on American families, particularly those who pursue the American dream of owning their own business. It is often the family-owned businesses and farms that are hit with the highest tax rate when they are handed down to descendants—often immediately following the death of a loved one. Families ought to be encouraged, not discouraged, from building successful farms, ranches and businesses and keeping the ownership of those enterprises within the families that worked to make them successful.

These taxes, and the financial burdens and difficulties they create come at the worst possible time. Making a terrible situation worse is the fact that the rate of this estate tax is crushing, reaching as high as 55 percent for the highest bracket. That's higher than even the highest income tax rate bracket of 39 percent. Furthermore, the tax is due as soon as the business is turned over to the heir, allowing no

time for financial planning or the setting aside of money to pay the tax bills. Estate and gift taxes right now are one of the leading reasons why the number of family-owned farms and businesses are declining; the burden of this tax is simply too much for many American families to bear.

This tax sends the troubling message that families should either sell the business while they are still alive in order to spare their descendants this huge tax after their passing, or rundown the value of the business, so that it won't make it into their higher tax brackets. This is not how America was built. Private investment and initiative has historically been a strong part of our American heritage and we should encourage those values, not tax successful family businesses into submission.

That is why I will vote for this important legislation. We need to change the message we are sending to farmers and family business owners. The Death-tax repeal has been endorsed by numerous organizations that represent family farms and businesses such as the National Federation of Independent Business, the Farm Bureau, the Family Business Estate Tax Coalition, National Association of Women Business Owners, the National Black Chamber of Commerce, the National Indian Business Association, the U.S. Hispanic Chamber of Commerce, and the National Association of Neighborhoods.

Mr. President, if there is one thing Congress absolutely ought to do while we are trusted with our jobs it should be to protect American families and their interests. This tax is fundamentally unfair and would never survive if it were being proposed today. I urge my colleagues to support the repeal of the Death-tax and help restore a small degree of integrity to the tax structure imposed on America's families.

Thank you, Mr. President. I yield the floor.

Mr. BUNNING. Mr. President, I rise in support of H.R. 8, the Death Tax Elimination Act of 2000.

This is a sound, sensible approach to providing death tax relief. It phases out the tax over a ten-year period by gradually reducing the marginal rates that apply to estates. And it includes a so-called ''step-up'' in basis for the first $1.3 million in assets ($3 million for spouses) that applies if assets are ever sold by heirs.

Right now the marginal rates assessed against estates are the highest in our tax code—55 percent for estates larger than $3 million plus a 5 percent surcharge assessed against larger estates. In fact, the United States has the dubious honor of imposing the most onerous estate tax in the developed world. This comes on the heels of recent moves by China, Canada and other developed countries to repeal their death taxes.

It is pitiful that in the U.S. we have worse death taxes than Communist China.

The estate tax was originally passed in 1916 to help fund our efforts in World War I. The last time I checked, that war was over. By the way, for my friends in the Senate who are still living in the early 20th century and oppose death tax repeal, I should point out that we won World War I.

Mr. President, these are a number of sound reasons to repeal the death tax. The best of these is the awful effect it has on small business and family farms. For years and years Congress has heard the sad stories about how small business owners and farm families have to sell family enterprises just to pay the taxes on estates that are passed down from generation to generation.

Additionally, a number of recent analyses make the case for death tax repeal. Studies by the Joint Economic Committee, the National Center for Policy Analysis, the Heritage Foundation, the American Council for Capital Formation, the Institute for Policy Innovation, the Cato Institute, and others all indicate the federal estate tax imposes significant costs on the economy and family-owned businesses, resulting in lower economic growth, job creation, and the destruction of family businesses.

The death tax hurts the ability of small businesses to vie against larger competitors. For instance, in testimony before the House Ways and Means Committee, a lumberyard owner from New Jersey spoke of incurring up to $1 million in costs associated with preserving the family business pending the death of his grandmother. At the same time the family was incurring these costs, the business was also competing against a new Home Depot store that had moved into the area. Remember that Home Depot and other big business is not subject to the estate tax.

In fact, a recent survey of 365 businesses in upstate New York found an estimated 14 jobs per business were lost in direct consequence of the costs associated with estate tax planning and payment. That amounts to more than 5,000 jobs lost in a limited geographical area. Nationally, the Wall Street Journal reported that an estimated 200,000 jobs would be created or preserved if the estate tax were eliminated.

The liberals who oppose death tax repeal claim this is a red herring, and that the bill will really only would help the super-rich and multi-billionaires. In fact, 50 percent of the revenue the federal government derives from the death tax comes from estates worth less than $5 million.

Additionally, the death tax provides less than 2 percent of the federal government's total tax revenues. To hear the Chicken Little liberals talk about it, repealing this tax would cause the sky to fall and the government to collapse for lack of funding. These are only crocodile tears from the big government addicts who cannot bear the thought of hard-working Americans not being forced to send more of their money to Washington to fund big government programs.

Although this bill passed the House by a veto-proof margin, and enjoys bipartisan support here in the Senate, the President has still promised to veto it. Well, I think we should still pass it and let him explain to the American people why he favors ''death'' taxes that hurt our small business and rural communities.

To his credit, the President did sign into law some death tax relief in 1997 as part of the Taxpayer Relief Act. Of course, we had to lead him kicking and screaming to the signing ceremony. And this came on the heels of his vetoing stronger death tax relief in the 1995 balanced budget bill. Then later he vetoed death tax relief in last year's tax bill.

So who knows what he will actually do in the end. We should give him the chance to decide once and for all if he wants to help us repeal the death tax. Maybe, like Paul on the road to Damascus, he wills see the light. After all, as one senior House Democrat noted several years ago: ''We've learned that if you don't like the President's position on the issue, all you have to do is to wait for a few days for him to change his mind.'

Mr. President, surveys have consistently shown that death tax repeal is popular with Americans—70 to 80 percent usually favor it in opinion polls. It is popular for the reasons I have laid out, but the most compelling reason is a moral one. After the death of a loved one, when families are grieving, Americans just do not believe that they, or anyone else, should have to talk to the undertaker and tax man on the same day. It's just not right.

Since 1980, over 20 states have repealed their state death taxes, and it's time the federal government followed suit and learned a lesson from the states. It's time to kill the death tax, and I urge my colleagues to support this important legislation.

MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

IN HONOR AND REMEMBRANCE OF GERALD CLIFFORD

Mr. DASCHLE. Mr. President, I would like to take a moment to reflect

on the life and work of Gerald Clifford, an important and influential South Dakotan and Oglala Sioux tribal member who recently passed away after courageously battling a debilitating illness.

Gerald Clifford, with whom I worked for many years, was a leader and a driving force for change among Native Americans in South Dakota and across the country. He was a champion for rural water development in southwestern South Dakota and a strong advocate for Indian education and Indian self-determination. Earlier this week, Mr. Clifford began his journey to the spirit world at the young age of sixty. I express my heartfelt condolences to Gerald's family and relatives during this difficult time. My prayers and thoughts are with them.

The void left by Gerald's passing was felt especially deeply today, as his life was celebrated at a funeral service in Manderson, South Dakota, on the Pine Ridge Indian reservation. While the work of this body required my presence in Washington today, I do want to honor and remember Gerald here in the Senate for his many outstanding contributions to his community and state.

Over the years, Gerald and I worked together on a number of projects. And I can tell you for a fact: he is a tenacious advocate for his causes and never gives up. Never.

I had the honor and pleasure of working closely with Gerald on the construction of the Mini Wiconi Rural Water System. In his role as director of the Mini Wiconi project, Gerald accepted the daunting challenge of bringing the state of South Dakota, three South Dakota tribes and local non-Indian communities together to achieve a common vision. The project bridged historically-vast political and cultural gaps to bring the precious resources of clean water to rural communities and remote reservations areas.

Even after many South Dakotans had lost hope of ever seeing the Mini Wiconi water project finished, Gerald kept working at it. He shepherded the Mini Wiconi project during the last several years, a critical period in its construction, fulfilled the promise of clean water for many, and laid a strong foundation for completing the project in the foreseeable future.

Gerald managed this project with skill and with diplomacy, and I am proud to have been able to work with him to accomplish our mutual goal. His contribution will be felt for decades to come.

Gerald made many other contributions to his people and his state in addition to Mini Wiconi. I would like to highlight just a few examples that provide a snapshot of the magnitude of this involvement in efforts to benefit the people of South Dakota and our nation.

Gerald Clifford was first and foremost an articulate and impassioned advocate for justice for his people. No one who knew Gerald could ever question the intensity or sincerity of his commitment to this overriding goal.

Gerald also understood the critical importance of education as a means of improving the quality of life for Indian people, working hard to promote tribally-controlled education, particularly tribal colleges and universities, and contributing to the initiation and development in the early 1970's of the American Indian Higher Education Consortium (AIHEC) and the tribal college movement. He was also among the first to have assisted in the creation of tribally-controlled entities, such as the Coalition of Indian-Controlled School Boards. Through this work, he helped provide educational opportunities for 26,000 students at the nation's thirty-three tribal colleges and universities, and opened a major educational pathway for many generations to come.

Gerald Clifford was a highly respected leader of the American Indian people. He was elected by Great Plains tribal leaders and tribal peers to serve as the National Congress of American Indians (NCAI) Aberdeen area Vice-President. As their voice on Capital Hill, Gerald helped many tribes in South Dakota, North Dakota, Nebraska and throughout the mid-West.

Gerald was a dominant presence at the forefront of the many struggles that the Aberdeen area tribes faced over the past four decades. It was through his focused dedication and skilled advocacy that Indian people have prevailed in the face of numerous adversities placed in their way. Gerald served as an elder, mentor, colleague and friend to so many young Indian men and women, imparting many of his outstanding qualities to this and future generations of tribal leaders.

Earlier this year, I addressed the National Congress of American Indians general assembly while Gerald was in Washington fighting hard on issues that meant so much to him. Later, I learned that he was forced to return to South Dakota prematurely because he was struggling with his health. As a result, I was unable to see him. I will always regret that I did not get to visit with Gerald during his last visit here.

Gerald fought illness with courage, determination and indomitable spirit. Even as he was ailing, he was not deterred from the pursuit of his work. He continued to fight for Indian people and for the causes that cared so much about. He never gave up.

In passing, Gerald Clifford left a large, significant and important legacy. He truly will be missed, but his work will live on, enriching the lives of South Dakotans for generations

BORDER DRUG PROSECUTIONS

Mrs. HUTCHISON. Mr. President, shortly before the July 4th recess, the Senate passed an Emergency Supplemental spending measure as part of the Military Construction Appropriations Bill. This measure dealt with a number of critical needs, including aid for fire victims in New Mexico and funds to continue the war on drugs in Colombia. I am pleased that this legislation also included $12 million to reimburse county and municipal governments along the U.S.-Mexico border for the high costs that they have incurred in handling drug prosecutions and incarcerations for the federal government.

Dramatic increases in manpower and resources for the Border Patrol and Customs Service has meant dramatic increases in drug and alien smuggling and illegal crossing apprehensions. Our border counties, which have handled these cases for the federal government for many years, have borne heavy costs of these prosecutions with no reimbursement from the federal government. These are some of the poorest counties and communities in the nation, and they can no longer afford to pay the costs associated with an expanded caseload they are handling for the federal government.

Specifically, this provision will enable the United States Attorneys to assist border county and municipal governments in the Southwest Border states of Texas, New Mexico, Arizona, and California with their court costs, courtroom technology needs, the building of prisoner holding spaces, administrative staff, and indigent defense costs that are associated with the handling and processing of drug cases that would otherwise fall under the jurisdiction of the Federal government.

I appreciate the help and commitment of Senator GREGG, Chairman of the Commerce-Justice-State Appropriations Subcommittee, and Senator STEVENS, the Chairman of the Appropriations Committee, for working so closely with me to address the needs of the Southwest border. I also want to thank Jim Morhard, Staff Director of the Commerce-Justice-State panel, and Kevin Linskey, for their hard work on this matter. Jim and Kevin serve both the Committee and Senator GREGG very well, and their efforts on the staff level are making a difference in improving the lives of people living along the U.S.-Mexico border.

GUNRUNNING IN THE STATES

Mr. LEVIN. Mr. President, two new studies just released show that states with a high concentration of gun industry activity and weak gun laws tend to be the major suppliers of crime guns in other states.

On June 28, 2000, the Violence Policy Center (VPC) released Gunland USA, a study which ranks states by their level of gun industry activity. For each state VPC reported the number of gun shows, licensed firearms retailers (including pawnshops), manufacturers

producing firearms, and licensed machine gun dealers as well as the number of registered machine guns. In each of these categories, Texas ranks number one. Other states that showed a very high level of gun industry presence were California, Florida, Illinois, Georgia and Ohio.

People in my state of Michigan may wonder how activity in other states like Illinois or Georgia affects them at home. A study released by Senator SCHUMER entitled War Between the States explains that many of the crime guns used in Michigan come from out of state. Interstate gunrunners acquire guns in states with weak laws and flood the markets in specific states and regions that have stricter gun laws. According to this report, states such as Texas, California, Florida, Georgia, and Ohio—the same states with high levels of gun industry activity—are the major suppliers of guns used to commit crimes in other states with tougher gun laws. The study cites Michigan as a state ''with strict gun laws'' and as one with 41% of guns traced to crime coming from other states such as Ohio and Georgia.

These findings demonstrate the need to tighten our national gun laws. Without national standards, states with a high level of gun industry presence and weak gun laws will continue to serve as major suppliers for gunrunners who traffic guns to states with tougher gun laws—states like Michigan. We must close the loopholes in our national framework for firearms distribution by among other things closing the gun show loophole.

TRIBUTE TO THE SHANIN FAMILY

Mr. SPECTER. Mr. President, the 20th century story of the Shanin Family portrays the success of immigrants in America and the success of America itself.

The naturalization papers of Freda Mermorvich Shanin show that she traveled from Lugansk, Russia and arrived at Ellis Island on October 31, 1906, with her two children, Lilli and Max, enroute to joining her husband, Mordecai Shanin, in St. Joe, MO. The Shanin Family grew with the addition of five more children: Annie, Louie, Rose, Albert, and Margaret. Mordecai Shanin struggled to earn a living with a variety of occupations including selling Singer sewing machines.

Lilli Shanin, later to become my mother, told me about her father dying in her arms form a heart attack in 1916 on the backstairs of the Shanin home at 922 South Ninth Street. My grandmother, Bubbie Freda, told me she was left a widow with seven children and seven dollars. Deeply religious, proud and independent, Freda Shanin raised her children with the help of Lilli, who left school to work in a tablet factory, and the other siblings pitching in when they became old enough to contribute to the family's support.

In 1917 Freda Shanin met a young immigrant, Harry Specter, who was buying dry goods and blankets at the wholesale house for sales in his travels to farms in Nebraska, Kansas, and Missouri. Harry Specter asked Freda Shanin if she had a daughter. ''Yes I do'' said the protective mother, ''But she's too young for you.''

Harry Specter courted Lilli Shanin, won her heart, went off to World War I, was wounded in the Argonne Forest, and returned in uniform to St. Joe to marry the beautiful 19-year-old redhead in her resplendent white gown carrying a large bouquet of roses. That union produced Morton, Hilda, Shirley, and ARLEN SPECTER, who in turn brought Mordecai and Freda Shanin 10 great grandchildren, 25 great-great grandchildren and 6 great-great-great grandchildren.

The three sons, Max, Louie, and Albert grew up in hard times in St. Joe with Albert, who added a granddaughter to the family tree, becoming a prosperous pharmacy owner who spent much of his time and drugstore medicines devoted to his ailing mother. Annie, who wrote a book of Hebrew poetry in 1945, married a distinguished chemist, Dr. Morton Kleiman, and they in turn had Dr. Adina Kleiman, a noted psychologist, and Dr. Jay Kleiman, an eminent cardiologist, who added two more great grandchildren to the Shanin family. Margaret ''Mashie'' Shanin married handsome Leslie Hoffman, who brought a truckload of watermelons from the family produce business in Waco, TX, to St. Joe. Mashie added to the family tree with four grandchildren and two great-grandchildren.

Rose Shanin left St. Joe at the age of 18 to live with her sister, Lilli, in Wichita, where Rose became a high-powered executive secretary for the Beyer Grain Company. In 1930, at my birth, Tante Rose intervened to save me from the name ''Abraham'' with the suggested ''Arlen'' after the famous movie star, Richard Arlen. Rose would later start my brother Morton and me in the development of our work ethics as messengers riding our bicycles all over Wichita delivering bills of lading for Beyer and other grain companies. Rose married Julius Isenberg and added a daughter and son to the growing family tree.

Judaism has continued to be the mainstay of the Shanin Family with many, albeit not all, maintaining strictly kosher homes, with a few emigrants to Jerusalem and Tel Aviv to strengthen the State of Israel. The 70 descendants of Mordecai and Freda Shanin have contributed to the values, prosperity, and success of the United States. Interspersed in the family tree are Ph.Ds, LL.Ds, MDs, a Federal judge, businesspeople, professionals, and elected public officials.

Today, members of the Shanin Family have assembled in Washington for a Shanin Family reunion led by the matriarchs of the family, Annie Kleiman and Rose Isenberg and Joyce Specter, who were privileged to meet with the President today. The entire family visited the White House, the Senate, the Washington Monument, the Jefferson Memorial, the Lincoln Monument, President Kennedy's gravesite, and the Secret Service headquarters.

America is the spectacular story of immigrants who have come in search of freedom and opportunity who have contributed so much. The Shanin Family is typical of the great contributions by immigrants, who, along with native Americans, have made the United States the greatest country in the history of the world.

Mr. REID. Mr. President, I wanted to say this to the Senator from Pennsylvania. Not only is he proud of his family, but certainly they should be proud of him. He has rendered great service to the State of Pennsylvania and to this country. Even though we are in a real quandary for time here, every word he said I appreciate very much. I understand the pride he expresses in his family, as they should in him.

Mr. MOYNIHAN. Mr. President, I believe it is probably the case, although we are not supposed to mention such things on the floor, that the family may be present. I welcome them and congratulate the Senator on such a fine progeny.

Mr. SPECTER. I thank my colleagues for their very kind remarks.

Mr. ROTH. Mr. President, I join my colleagues and say to the Senator's family what pride they should take in you. I know of no Senator that has had a more positive affect on the work of the Senator than Senator SPECTER. I am proud of him.

Mr. SPECTER. I thank my colleagues from Delaware for those very generous comments.

FUNDING FOR THE ARTS IN SOUTH DAKOTA

Mr. JOHNSON. Mr. President, I would like to briefly express my full support for the funding contained in the fiscal year 2001 Interior Appropriations bill for the National Endowment for the Arts (NEA). Yesterday, I joined 72 of my Senate colleagues—Republicans and Democrats alike—in defeating an effort to cut the NEA's budget. The funding level approved in the Senate version of the Interior Appropriations bill is $7 million above that approved by the House of Representatives and represents a modest increase from last year's budget.

Opponents of the NEA claim that it simply subsidizes a small number of wealthy people in the big cities. The truth is that the NEA supports public-private art projects that benefit millions of people across our country;

young and old, rich and poor, rural and urban. One needs to simply look at the NEA's role in South Dakota to see how a small percentage of our tax dollars improve the lives of entire communities in our state.

Last year, South Dakota received over $630,000 in grants from the NEA. That equates to nearly one dollar for every resident of our state. NEA grants are coordinated by the South Dakota Arts Council, and this successful federal-local-private relationship supports programs like the L. Frank Baum Oz Festival in Aberdeen. NEA funds were instrumental in getting the Washington Pavilion of Arts and Sciences constructed in Sioux Falls. In fact, the Black Hills Community Theatre and the Black Hills Symphony Orchestra provide year-long entertainment as a direct result of NEA funds. Residents of Brookings benefitted from NEA funding of the Brookings Chamber Music Society, the SDSU-Civic Symphony, and the Prairie Repertory Theatre. Restoration of the Historic Homestake Opera House in Lead has been supported through the NEA. In Pierre, NEA funds have allowed the Capital City Children's Chorus to entertain area residents. Vermillion's historic Shrine to Music Museum receives NEA support for its annual programs, and Watertown's Symphony Orchestra and Town Players theater group also received NEA funds this past year. I just returned from attending a performance of ''Spiritscapes'', a South Dakota cantata, at the Sioux Falls Washington Pavilion which was financed in part by the NEA.

However, it isn't just the larger cities in South Dakota that benefit from NEA funding. Last year, the South Dakota Arts Council funded over 220 weeks of Artists-In-Schools residencies conducted by professional artists at schools and other educational institutions throughout our state. Some of the communities that benefitted from the annual Artists-In-Schools program include: Arlington, Batesland, Belle Fourche, Beresford, Box Elder, Brandon, Buffalo, Canton, Castlewood, Cavour, Centerville, Chester, Clark, Doland, Emery, Fairfax, Faulkton, Garretson, Gettysburg, Harrold, Hartford, Hitchcock, Huron, Kadoka, Kimball, Leola, Madison, Martin, Mission, Mobridge, North Sioux City, Piedmont, Pollock, Porcupine, Revillo, Sisseton, Tyndall, Valley Springs, Wakonda, Waubay, Webster, White River, Wilmot, Woonsocket, and Worthing.

I am pleased to note that NEA funds have been essential in helping to cultivate art on South Dakota's Native American Reservations. Federal funds have supported arts education at the Tiospa Zina Tribal School, the St. Joseph Indian School, the HVJ Lakota Cultural Center, Lower Brule Elementary School, and throughout the Wounded Knee School District. The Northern Plains Tribal Arts festival has also grown into the region's premiere Native American art show and market, in large part to NEA funding.

The total NEA budget amounts to one one-thousandth of one percent of the federal budget. I believe that this extremely modest investment in the NEA is overwhelmingly well spent, thanks to the leadership and creativity of those within the South Dakota arts community. While I am pleased that the Senate was able to once again fight off an attack on the NEA, I hope that we will soon be debating expansion of this federal-local-private partnership with a proven record of success in South Dakota.

FOREIGN DEVELOPMENT AID

Mr. FRIST. Mr. President, since the end of the Second World War, the United States has provided billions of dollars in development assistance worldwide—foreign aid. The goal of that aid has been to bring recipient countries out of poverty.

That is an admirable goal, but in those 40 years, aid has failed to even come close to meeting it.

The most telling regional example is sub-Saharan Africa, home to the greatest number of aid recipients. The countries of the region have received over $200 billion in aid from donors since 1980 and $27 billion from the United States alone in the past 40 years.

As a percentage of Gross Domestic Product, the average of current aid recipient countries in the region far exceeds that of the beneficiaries under the Marshall Plan—the intellectual basis for modern development aid programs and a resounding success for recipients and donors alike. Those percentages are 13.2 percent to 2.5 percent, respectively.

Yet almost every country in Africa that has received aid—some of them since the early 1960s—are no better off now than when they began an aid program. Some are considerably worse off than at any time since their independence. Clearly, no positive link exists between foreign aid—even massive amounts of foreign aid—and bringing recipient countries out of poverty and off dependence on foreign donations.

We must come to the uncomfortable but obvious conclusion that, although very well intentioned in most cases, aid has neither ended poverty on a reasonable scale nor has it supported our policy goals.

But why such a difference in results?

The World Bank itself has concluded that development aid can be effective only in an environment of sound economic policies and good economic management. Economic freedoms, rule of law, and governmental and regulatory transparency are essential elements in providing an environment in which aid can reasonably be expected to promote economic growth.

While many internal and external factors contribute to poverty and quality of life for the people in recipient countries, the governments of those recipient countries determine the degree of economic freedom, economic management, and regulatory and transparency which dictate whether development assistance can reasonably be expected to help promote sustained economic growth.

Foreign assistance can improve the lives of individual recipients and institutions to which it is directly applied, unless it brings about necessary changes in the bigger picture, the economy and welfare of the recipients will not change on a nationwide scale to any meaningful degree.

Recipient countries which do not provide economic freedom, sound management, and regulatory transparency do not provide an environment where development assistance can be expected to eliminate poverty and promote economic growth. In some cases, it can even constitute a ''moral hazard,'' where it weakens pressures for necessary changes by supporting institutions or governments that should otherwise be allowed to collapse and clear the way for real reform.

Thus, the provision of development assistance into unreceptive environments does not promote United States' interests nor the people of recipient countries' welfare. Those efforts and funding would thus be more effectively committed elsewhere, or to programs which, over time, will help the intended beneficiaries (the citizens of the countries) change their governments and other factors that contribute to the perpetuation of poverty and support American goals of democracy, economic development and peaceful coexistence.

Congress must be frank and recognize that well-intentioned aid has not worked, and that special interests and those who depend on aid programs for contracts and employment are a great barrier to necessary change.

In recognition of the fact that foreign development aid has not reduced poverty and has not made reasonable progress toward America's goals overseas, I will today introduce legislation which aims to end our spending on programs which, over 40 years, have achieved too little.

The legislation directs the Secretary of State to establish an index of recipient countries which evaluates their degree of economic freedom. The index will be based on trade policy, including the level of tariffs and other barriers to foreign goods and services as well as the extent of corruption in their customs service; taxation policy, including individual and corporate earnings tax rates; the degree of government intervention in the economy; the country's monetary policy; the degree to

which the recipient country allows foreign investment, including foreign ownership of business, land, etc., and the extent to which it allows the investor to use the earnings outside the country; the recipient country's banking policies; whether the country has price controls; the degree of property rights and rule of law and whether the government retains ''rights'' to seize property without just cause and due process; the regulatory environment and whether it is just and truly designed to protect consumers, the environment, and economic freedom; and the state of the black market and the response by the recipient government.

The index will rate economic freedom for each country and sets a timetable to phase out or terminate accordingly to governments who do not provide a free environment for economic development. It is constructed to provide incentives for reform and ends support for the undemocratic and predatory governments which often benefit from our assistance.

In addition, Mr. President, the Secretary will also have to provide a description of the total amount of assistance the country receives from all foreign sources; the total revenues from all sources; the total of its own revenues each recipient government spends on eliminating poverty; and the total they spend on military expenditures and whether a legitimate security threat warrants them. From this and the index, Congress will be able to clearly judge the viability of countries as recipients and the degree to which the recipients share our priorities in combating poverty.

This legislation will allow for a degree of honesty about heavily defended aid programs. It will allow Americans to use those resources for other national priorities we know to be effective, or to simply relieve the burden on taxpayers overall. It will set the stage for testing new strategies to combat poverty and pursue American interests across the globe. After 40 years, it's an idea whose time has come.

VICTIMS OF GUN VIOLENCE

Mr. KENNEDY. Mr. President, it has been more than a year since the Columbine tragedy, but still this Republican Congress refuses to act on sensible gun legislation.

Since Columbine, thousands of Americans have been killed by gunfire. Until we act, Democrats in the Senate will read some of the names of those who lost their lives to gun violence in the past year, and we will continue to do so every day that the Senate is session.

In the name of those who died, we will continue this fight. Following are the names of some of the people who were killed by gunfire one year ago today.

July 13, 1999: Debbie Ahl, 39, Nashville, TN; Desiree Battle, Detroit, MI; Antonio Darias, 49, Miami-Dade County, FL; Leonardo Duran, 18, Houston, TX; Doug Harris, 31, Cincinnati, OH; Stefanie Harris, 29, Cincinnati, OH; Romero Jones, 19, St. Louis, MO; Sigmund Linberger, 34, Akron, OH; Michael McKinnon, 18, Nashville, TN; Rodolfo Recendez, 32, Fort Worth, TX; Dylan Sertich, 22, Toledo, OH; Unidentified male, 16, Long Beach, CA; Unidentified male, 35, Nashville, TN.

One of the victims of gun violence I mentioned, 19-year-old Romero Jones from Missouri, grew up in tough circumstances and turned his life around after a troublesome childhood. Romero worked with his city's ''Cease Fire Program'' to reach out to young people to encourage them to give up their involvement with gangs and pursue job training and careers. Romero sat on the stage with President Clinton during the President's 1995 visit to St. Louis to discuss the city's successes in addressing crime.

Romero was shot and killed in what police say was a case of mistaken identity—no drugs or money were found in Romero's home following his tragic death.

We cannot sit back and allow such senseless gun violence to continue. The time has come to enact sensible gun legislation. Our country cannot afford to lose more of its promising young leaders like Romero Jones. His death is a reminder to all of us that we need to act now.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 12, 2000, the Federal debt stood at $5,664,141,886,637.91 (Five trillion, six hundred sixty-four billion, one hundred forty-one million, eight hundred eighty-six thousand, six hundred thirty-seven dollars and ninety-one cents).

One year ago, July 12, 1999, the Federal debt stood at $5,621,471,000,000 (Five trillion, six hundred twenty-one billion, four hundred seventy-one million).

Five years ago, July 12, 1995, the Federal debt stood at $4,927,811,000,000 (Four trillion, nine hundred twenty-seven billion, eight hundred eleven million).

Ten years ago, July 12, 1990, the Federal debt stood at $3,152,770,000,000 (Three trillion, one hundred fifty-two billion, seven hundred seventy million).

Fifteen years ago, July 12, 1985, the Federal debt stood at $1,792,949,000,000 (One trillion, seven hundred ninety-two billion, nine hundred forty-nine million) which reflects a debt increase of almost $4 trillion—$3,871,192,886,637.91 (Three trillion, eight hundred seventy-one billion, one hundred ninety-two million, eight hundred eighty-six thousand, six hundred thirty-seven dollars and ninety-one cents) during the past 15 years.

ADDITIONAL STATEMENTS

WILLIAM J. BECKHAM, JR. MEMORIAL TRIBUTE

• Mr. LEVIN. Mr. President, I want to pay tribute to the life of one of Michigan's great civic leaders, William J. Beckham, Jr. After living a remarkably accomplished life, sadly, Bill passed away April 27 while on vacation with his beloved wife, Mattie Maynard Beckham. This week, Bill's friends and colleagues and members of the Senate and the House will come together in our Nation's capital to celebrate his memory and his legacy.

Bill loved life and all the important things in it—his family, his friends, school kids, and his African American heritage. Bill loved the difference that he was making in Michigan through his work on school reform—enhancing and expanding the quality of education for all students in the Detroit public school system. Behind Bill's dignified, gentle yet deliberate manner was a fierce determination to help improve the everyday lives of families. Multitudes were beneficiaries of his visionary efforts. He showed that character and the principles of hard work, integrity and perseverance can transform one's dreams into reality. He has left a mark of great achievement in civil rights, education, economic and political reform.

Bill had a distinguished career of public service in Michigan, which included positions as Vice Chair of the School Board for the Detroit Public Schools, Chairman of the Schools of the 21st Century Corporation, President and Trustee of The Skillman Foundation, the first Deputy Mayor of Detroit, and President of New Detroit, Inc. His successful career in the private sector included key leadership positions at Burroughs/Unisys Corporation, Envirotest Systems Corporation in Phoenix and the Ford Motor Company.

Bill also enjoyed a long and noteworthy career in federal service from 1967 through the early 1980s. Over a period of eight years, he served Senator Phil Hart in several capacities including Policy Adviser in his Washington office for four years, Chief of Staff of the Senator's office in Detroit for three years, and Campaign Assistant for one year. Bill subsequently served as Staff Director to the House Education and Labor Subcommittee on Equal Opportunity, chaired by Representative Gus Hawkins. Sought out by President Jimmy Carter, Bill was nominated and confirmed first as Assistant Secretary of the U.S. Department of the Treasury and later as Deputy Secretary of the U.S. Department of Transportation.

During his tenure on Capitol Hill, Bill joined with several of his staff colleagues to establish the first minority

congressional staff group to study and act on the political and legislative demands of minority communities nationwide. The group's pioneering efforts in Quitman and Cohoma Counties in Mississippi, along with civil rights leader JOHN LEWIS and, my brother, SANDER LEVIN (both of whom now serve in the House) helped to mark a new and powerful political and participatory direction for the people of the Mississippi Delta. Wise and loyal colleagues—Gordon Alexander, Jackie Parker, Judy Jackson, Willa Rawls Dumas, Alan Boyd, Dora Jean Malachi, Mattie Barrow and Bob Parker—declared Bill their leader. The group moved ahead and soon designed the legendary mission to the Mississippi Delta; and, under the direction of Julian Bond of the then-Southern Elections Fund, pursued other worthy political initiatives, during a time when there was only a handful of minority elected officials nationwide.

Mr. President, I include for the RECORD the names of the members of the William J. Beckham, Jr. Memorial Committee, all of whom were former staff colleagues of Bill's during his tenure of federal service, including my current Deputy Legislative Director Jackie Parker. These devoted friends and former colleagues organized this week's great tribute to Bill and will be attesting, along with others, to the truly incredible life that Bill led and the impact he had on their lives. They are as follows:

WILLIAM J. BECKHAM, JR. MEMORIAL COMMITTEE

Gordon Alexander, Legislative Assistant, former Senator Birch Bayh
*President, 40+ Parenting, Inc.
Robert Bates, former Special Assistant, Senator Edward Kennedy
Alan Boyd, Senior Aide, former Senator Clifford Case
*Charitable Games Control Board
George Dalley, former Chief of Staff, Rep. Charles Rangel
Winifred Donaldson, Chief of Staff, former Rep. Andy Jacobs
Willa Rawls Dumas, Office Manager, former Rep. Silvio Conti
*Vice President for Administration, Directions Data, Inc.
Ernestine Hunter, Senior Aide, former Senator John Glenn
Judy Jackson, Senior Aide, former Rep. Bob Eckhardt and Ex Assistant,
Senate Finance Committee
*Executive Assistant, TRESP Associates
Carolyn Jordan, Legislative Assistant, former Senator Alan Cranston and Counsel, Senate Banking Committee
*Executive Director, National Credit Union Administration
Dora Jean Malachi, Senior Aide to former Senator Walter Huddleston and Senate Budget Committee
Mary Maynard, Clerk, House Subcommittee on Equal Opportunity
*AFL–CIO Legislative Division
Jackie B. Parker, Legislative Assistant, former Rep. James A. Burke
*Deputy Legislative Director, Senator Carl Levin
Annette C. Wilson, *U.S. Department of Transportation
*Currently

Mr. President, Bill leaves his beloved mother, Gertrude; his wife Mattie, their two children, Monica and Jeffrey; Bill's three older sons, William, III, Jonathan, and Reverend Eric Beckham; his two sisters Connie Evans and Elaine Beckham of Florida; his brother Charles of Detroit; seven grandchildren, and enumerable friends. Together we will celebrate his life and cherish his memory.●

TRIBUTE TO ADMIRAL JAY L. JOHNSON

● Mr. WARNER. Mr. President, I rise today to recognize and honor Admiral Jay L. Johnson, United States Navy, our 26th Chief of Naval Operations, as he prepares to turn over the helm of the United States Navy to his successor.

As former Secretary of the Navy and a member of the Armed Services Committee for 22 years, I have worked closely with every Chief of Naval Operations since 1969. Admiral Johnson, in my view, ranks with the finest of this long line of great Chiefs.

Thirty-six years ago, on the 30th of June, 1964, a young Midshipmen Johnson raised his hand on Tecumseh Court at the United States Naval Academy and took his oath of office to support and defend the Constitution. In the years since that day he has devoted indeed all of his great energy and talent to that task. Oceans of water have passed beneath the keels of the ships he has commanded and many men and women have stood proudly on their decks. He has been steadfast in his covenant to this nation and his devotion to those with whom he has served. An illustrious career gives eloquent testimony to his service to our country and his leadership of its Navy.

He was commissioned an Ensign upon his graduation in 1968 and, demonstrating exceptional tactical and technical acumen, he soloed in both propeller and jet aircraft within six months, setting the pace for a most impressive future.

His first sea duty tour was aboard U.S.S. *Oriskany* (CVA 34), where he made two combat cruises flying and fighting the F–8J Crusader over Vietnam with the Hellcats of VF–191. He flew the F–14 Tomcat as a Ghostrider of VF–142, a Grim Reaper of VF–101, and as Commanding Officer of the Jolly Rogers of VF–84.

Admiral Johnson's follow-on sea tours demonstrated the tactical brilliance and the consensus-building skills that would characterize his tenure as CNO. As Commander, Carrier Air Wing ONE, he planned and coordinated the joint Navy and Air Force air strikes against Libya in response to terrorist acts in Europe. In this same carrier airwing, he successfully integrated the F/A–18C with the F–14, providing a superior day-night combat capability to our forward-deployed carrier battle groups.

Admiral Johnson's early shore assignments reinforced his commitment to our Sailors as he served in the Bureau of Naval Personnel, detailing junior aviation officers. His selection to the prestigious Chief of Naval Operations' Strategic Studies Group further cemented his reputation as a Naval Warfare visionary, and marked him as a future leader of our nation's Navy.

As a new Flag Officer, Admiral Johnson went back to the Bureau of Naval Personnel, where his profound concern for the well being of our Sailors resulted in dramatic improvements in retention and support of our Fleet Sailors. It is particularly noteworthy that these institutional changes were orchestrated at the same time he was coordinating the Navy's activation and call-up of Reserve Sailors in support of Operation Desert Shield and Desert Storm.

Back to sea in command of U.S.S. *Theodore Roosevelt* Battle Group, his tactical acumen and diplomatic skills proved key to a more efficient and combat-ready coalition of forces in Bosnian Theater operations.

But nowhere was Admiral Johnson's leadership, focus on mission execution, and consensus-building skill more brilliantly demonstrated than in his next assignment as Commander, Second Fleet: Striking Fleet Atlantic and Joint Task Force 120. He simultaneously guided the *Eisenhower* Battle Group through preparations for its deployment to the Sixth Fleet while serving as the Deputy Commander for Operation Uphold Democracy, which restored the democratically elected government to Haiti.

After serving as the Vice-Chief of Naval Operations, Admiral Johnson took the helm of our Navy as its 26th Chief. He has exemplified the quiet dignity and honor of that office, ably and wisely counseling leaders at the highest echelons of our Government. His leadership, integrity and foresight have set a true and steady course for the Navy as it transitions into the 21st century. It has been written in ancient annals that ''anyone can hold the helm when the sea is calm.'' This man took the helm of our Navy in heavy seas. Steering by a constellation of four guide stars—Operational Primacy, Leadership, Teamwork, and Pride—Admiral Johnson guided the Navy through the shoals of four tempestuous years, balancing mandated reductions in forces with dramatically increased operational tasking. The Fleet's mission accomplishment in our forward operating areas overseas—at the tip of the spear—was never placed in doubt. And never for a moment did he loose sight of the interests of the men and women of our Navy.

Admiral Johnson empowered the Navy's commanding officers by removing unnecessary inspections and burdensome paperwork, and gave these skippers the opportunity to lead and truly command their ships, submarines, squadrons, and SEAL teams. He also led the Joint Chiefs of Staff in calling for much-needed increases in the Navy's budget: Pay Table Reform and the reform of the Retirement Program are resulting in dramatic increases in retention of the Navy's most valuable asset—our Sailors.

Admiral Johnson's legacy for the future of Naval Warfare is embodied in his vision of the Navy at sea and ashore. At sea, he has boldly committed his service to build upon the Navy's strategy laid down in ''Forward From the Sea'' and the Marine Corps' ''Operational Maneuver From the Sea.'' He has championed the creation of a Navy and Marine Corps team that will directly and decisively influence events ashore—anytime, anywhere. He has focused the Navy's research, development and investment capital upon improving the Fleet's ability to conduct Land Attack Warfare, Theater Air and Missile Defense, and Organic Mine Warfare. Admiral Johnson has prepared the Sailors and the Fleet to defeat future threats and he has created an information technology revolution at sea, which is dramatically and irreversibly changing the way we employ our Navy in peacetime, crisis, and war.

Ashore, Admiral Johnson has re-invigorated the Naval War College, reminding us of the years prior to World War II, when the Navy's war games anticipated nearly every enemy operation. He has conducted Battle Experiments with cutting-edge technology and brought together the best minds of government, academia, business, and the military to create new rule sets for an international security environment characterized by an Internet-driven, global economy.

Standing beside this officer throughout his superb career has been his wife Garland, a lady to whom he owes much. She has been his key supporter, devoting her life to her husband, to her family and to the men and women of the Navy family. She has traveled by his side for these many years visiting the Fleet. Her sacrifice and devotion have served as an example and inspiration for others. This team has served our Navy well and we will miss them both.

With these words before the Senate, I seek to recognize Admiral Johnson for his unswerving loyalty to the Navy and the Nation. From the beginning, he has been a model Naval officer who has always done his duty to God and to Country. It has been my personal good fortune, and the Senate's good fortune as a whole, to witness Admiral Johnson's leadership of the finest Navy in the world.

The Department of the Navy and the American people have been served well on his watch. The men and women of the United States Navy will not forget the leadership, service and dedication of Admiral Johnson as he has left the Navy better prepared to face the challenges and opportunities of the 21st century.

We thank him and wish Jay, and his lovely wife Garland, fair winds and following seas as they continue forward in what will most assuredly remain lives of service to this Great Nation.●

NORTHAMPTON COUNTY CELEBRATES ITS 250TH ANNIVERSARY

● Mr. SANTORUM. Mr. President, I rise today to recognize Northampton County, Pennsylvania as it begins preparation for its 250th anniversary. Northampton County was established in 1752, thus its official celebration will not occur until March 11, 2002. However, on June 26, 2000, Northampton County kicked off this celebration with a lunch designed to draw support and preparation for the events in 2002.

Jerry Seyfried, former county executive and current court administrator, is coordinating the celebration preparations. He mentioned some of the events that are in the works, including a parade on September 23, 2001, a historic family treasure hunt, a black-tie gala, and a sports showcase. Most importantly, the celebrations will be geared toward local schools, churches and ethnic groups. This celebration is expected to be the largest event that Northampton County has ever undertaken.

Northampton County has served as a crucial part of Pennsylvania's history, and I commend the area for initiating such a tremendous celebration for this most historic event. I look forward to the upcoming festivities in 2002 and hope to participate in them.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting two treaties and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12:26 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4169. An act to designate the facility of the United States Postal Service located at 2000 Vassar Street in Reno, Nevada, as the ''Barbara F. Vucanovich Post Office Building.''

H.R. 4447. An act to designate the facility of the United States Postal Service located at 919 West 34th Street in Baltimore, Maryland, as the ''Samuel H. Lacy, Sr. Post Office Building.''

At 5:16 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4811. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2001, and for other purposes.

ENROLLED BILLS SIGNED

At 6:15 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 986. An act to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority.

S. 1892. An act to authorize the acquisition of the Valles Caldera, to provide for an effective land and wildlife management program for this resource within the Department of Agriculture, and for other purposes.

The bills were signed subsequently by the President pro tempore (Mr. THURMOND).

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4169. An act to designate the facility of the United States Postal Service located at 2000 Vassar Street in Reno, Nevada, as the ''Barbara F. Vucanovich Post Office Building''; to the Committee on Governmental Affairs.

H.R. 4447. An act to designate the facility of the United States Postal Service located at 919 West 34th Street in Baltimore, Maryland, as the ''Samuel H. Lacy, Sr. Post Office Building''; to the Committee on Governmental Affairs.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 894. An act to encourage States to incarcerate individuals convicted of murder, rape, or child molestation.

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–9682. A communication from the Acting Director of the Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled

''Pennsylvania Regulatory Program'' (SPATS No. PA-129-FOR) received on June 21, 2000; to the Committee on Energy and Natural Resources.

EC–9683. A communication from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''DOE Standard; Design Criteria Standard for Electronic Records Management Software Applications'' (DOE-STD-4001-2000) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9684. A communication from the Assistant General Counsel for Regulatory Law, Office of Energy Efficiency and Renewable Energy, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Extension of DOE O 430.2, In-House Energy Management'' (DOE N 430 .2) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9685. A communication from the Assistant General Counsel for Regulatory Law, Office of the Chief Financial Officer, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Extension of DOE O 430.2, In-House Energy Management'' (DOE N 430.2) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9686. A communication from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''DOE Standard; Guide to Good Practices for Lockouts and Tagouts'' (DOE-STD-1030-96) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9687. A communication from the Assistant General Counsel for Regulatory Law, Office of Environment, Safety, and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''DOE Standard; Specifications for HEPA Filters Used by DOE Contractors'' (DOE-STD-3020-97) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9688. A communication from the Assistant General Counsel for Regulatory Law, Office of the Environment, Safety and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''DOE Standard; Safety of Magnetic Fusion Facilities: Requirements'' (DOE-STD-6002-96) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9689. A communication from the Assistant General Counsel for Regulatory Law, Office of Security and Emergency Operations, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Standardization of Chemical Protective Equipment for Protective Forces and Special Agents'' (DOE N 473.3) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9690. A communication from the Assistant General Counsel for Regulatory Law, Office of Security and Emergency Operations, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Security Area Vouching and Piggybacking'' (DOE N 473.5) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9691. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report relative to the Missouri National Recreational River; to the Committee on Energy and Natural Resources.

EC–9692. A communication from the Comptroller General, General Accounting Office transmitting, pursuant to law, a report relative to the Trans-Alaska Pipeline Liability Fund; to the Committee on Energy and Natural Resources.

EC–9693. A communication from the Assistant Secretary of Land and Minerals Management, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Alaska Native Veterans Allotments'' (RIN 1004-AD34) received on June 29, 2000; to the Committee on Energy and Natural Resources.

EC–9694. A communication from the Secretary of Energy, transmitting, pursuant to law, a report relative to the strategic petroleum reserve plan; to the Committee on Energy and Natural Resources.

EC–9695. A communication from the Secretary of Energy, transmitting, pursuant to law, the report relative to the fleet alternative fuel vehicle acquisition for fiscal year 1999; to the Committee on Energy and Natural Resources.

EC–9696. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, a draft of proposed legislation entitled to amend the Cache La Poudre River Corridor Act to make technical corrections, and for other purposes; to the Committee on Energy and Natural Resources.

EC–9697. A communication from the Assistant Legal Adviser for treaty Affairs, Department of State, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–9698. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report of the pay-as-you-go calculations dated June 30, 2000; to the Committee on the Budget.

EC–9699. A communication from the Secretary of Defense, transmitting, pursuant to law, the report relative to the Cooperative Threat Reduction Program; to the Committee on Armed Services.

EC–9700. A communication from the Chief of the Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report a rule entitled ''Export Certificates for Sugar-Containing Products Subject to Tariff-Rate Quota'' (RIN1515-AC55) received on July 11, 2000; to the Committee on Finance.

EC–9701. A communication from the Assistant General Counsel for Regulatory Law, Office of the Environment, Safety and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''State Child Health; State Children's Health Insurance Program Allotments and Payments to States (HCFA-2114-F)'' (RIN0938-AH64) received on July 12, 2000; to the Committee on Energy and Natural Resources.

EC–9702. A communication from the Deputy Executive Secretary, Administration for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report a rule entitled ''Methodology for Determining Whether an Increase in a State or Territory's Child Poverty Rate is the Result of the TANF Program'' (RIN0970-AB65) received on July 12, 2000; to the Committee on Finance.

EC–9703. A communication from the Commissioners of the National Commission on Terrorism, transmitting, pursuant to law, the report entitled ''Countering The Changing Threat Of International Terrorism''; to the Committee on the Judiciary.

EC–9704. A communication from the Deputy Executive Secretary to the Department of Health and Human Services (Office of Public Health and Science), transmitting, pursuant to law, the report of a rule entitled ''Standards of Compliance of Abortion-Related Services in Family Planning Services Projects'' (RIN0940-AA00) received on July 12, 2000; to the Committee on Health, Education, Labor, and Pensions.

EC–9705. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report entitled ''Tenth Special Report on Alcohol and Health''; to the Committee on Health, Education, Labor , and Pensions.

EC–9706. A communication from the Secretary of Defense, transmitting, pursuant to law, a notice relative to the National Missile Defense system report; to the Committee on Armed Services.

EC–9707. A communication from the Under Secretary of Defense for Acquisition, Technology and Logistics, transmitting, pursuant to law, the report entitled ''Integrated Chemical and Biological Research, Development and Acquisition Plan for the Departments of Defense and Energy''; to the Committee on Armed Services.

EC–9708. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, the report of the status of the exercise of rights and responsibilities of the United States under the Panama Canal Treaty for fiscal year 1999; to the Committee on Armed Services.

EC–9709. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report on the Defense Environmental Quality Program for fiscal year 1999; to the Committee on Armed Services.

EC–9710. A communication from the Secretary of Energy, transmitting, the report of a revised fiscal year 2001 budget request regarding weapons activities; to the Committee on Armed Services.

EC–9711. A communication from the Secretary of Defense, transmitting, a notice relative to a retirement; to the Committee on Armed Services.

EC–9712. A communication from the Under Secretary of the Defense (Acquisition and Technology), transmitting, pursuant to law, the report entitled ''Activities and Programs for Countering Proliferation and NBC Terrorism''; to the Committee on Armed Services.

EC–9713. A communication from the Chairman and Chief Executive Officer of the Farm Credit Administration, transmitting, pursuant to law, the report of a rule entitled ''12 C.F.R. Part 612-Standards of Conduct'' (RIN3052-AB95) received on June 21, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9714. A communication from the Director of the Office of the Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Prallethrin; Pesticide Tolerance'' (FRL6499-5) received on June 21, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9715. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Almonds Grown in California; Release of the Reserve Established for the 1999-2000 Crop Year'' (FV00-981-1 FIR) received on June 28, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9716. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Scrapie Pilot Projects'' received on June 28, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9717. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Walnuts Grown in California; Report Regarding Interhandler Transfers of Walnuts'' (FV00984-1-FR) received on June 28, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9718. A communication from the Administrator of the Food Safety and Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Elimination of Requirements for Partial Quality Control Programs'' (RIN0583-AC35) received on June 29, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9719. A communication from the Administrator & Executive Vice President, Commodity Credit Corporation, Farm Service Agency, Department of Agriculture, transmitting, pursuant to law, a report of a rule entitled ''1999 Marketing Quotas and Price Support Levels for Fire-Cured (Type 21), Fire-Cured (Type-22), Dark Air-Cured (Types 35-36), Virginia Sun-Cured (Type 37), and Cigar-Filler and Binder (Types 42-44 and 53-55) tobaccos'' (RIN0560-AF51) received on June 30, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9720. A communication from the Acting Administrator for the Farm Service Agency, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Lamb Meat Adjustment Assistance Program'' (RIN0560-AG17) received on June 20, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9721. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Importation of Gypsy Moth Host Material From Canada'' received on June 20, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9722. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Hawaii Animal Import Center'' received on June 20, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9723. A communication from the Inspector General, Department of Agriculture, transmitting, pursuant to law, a report relative to the Food Safety Initiative; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9724. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Melon Fruit Fly; Removal of Quarantined Area'' received on June 26, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9725. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled ''Fludioxonil; Extension of Tolerance for Emergency Exemption'' (FRL6590-3) and ''Tebufenenozide; Pesticide Tolerances for Emergency Exemptions'' (FRL6590-1) received on July 5, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9726. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Onions Grown in Certain Designated Counties in Idaho, and Malheur County, Oregon; Decreased Assessment Rate'' (FV00-958-1-FR) received on July 5, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9727. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Hazelnuts Grown in Oregon and Washington; Establishment of Interim and Final Free and Restricted Percentages for the 1999-2 Marketing Year'' (FV00-982-1 FIR) received on July 5, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9728. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Marketing Order Regulating the Handling of Spearmint Oil Produced in the Far West; Decreased Assessment Rate'' received on July 5, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9729. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Raisins Produced From Grapes Grown In California; Final Free and Reserve Percentages for 1999-2000 Crop Natural (Sun-Dried) Seedless and Zante Currant Raisins'' received on July 5, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9730. A communication from the Administrator, Food and Nutrition Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Food Stamp Program: Electronic Benefit Transfer Benefit Adjustments'' (RIN0584-AC61) received on July 10, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9731. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Fresh Bartlett Pears Grown in Oregon and Washington; Decreased Assessment Rate'' FV00931-1-IFR) received on July 10, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9732. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Cranberries Grown in States of Massachusetts, Rhode Island, Connecticut, New Jersey, Wisconsin, Michigan, Minnesota, Oregon, Washington, and Long Island in the State of New York; Establishment of Marketable Quantity and Allotment Percentage and Other Modifications Under the Cranberry Marketing Order'' (FV00929-2FR) received on July 11, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9733. A communication from the Associate Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Irish Potatoes Grown in Modoc and Siskiyou Counties, California, and in all Counties in Oregon, except Malheur County; Suspension of Handling, Reporting, and Assessment Collection Regulations'' (FV00-947-1 IFR) received on July 11, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9734. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three items entitled ''Health Effects Test Guidelines: OPPTS 870.3050 Repeated Dose 28-Day Oral Toxicity Study in Rodents'', ''Health Effects Test Guidelines: OPPTS 870.3550 Reproduction/Developmental Toxicity Screening Test'', ''Health Effects Test Guidelines: OPPTS 870.3650 Combined Repeated Dose Toxicity Study with the Reproduction/Development Toxicity Screening Test''; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9735. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Change in Disease Status of Japan Because of Rinderpest and Foot-and-Mouth Disease'' received on July 12, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9736. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Change in Disease Status of the Republic of Korea Because of Rinderpest and Foot-and-Mouth Disease'' received on July 12, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9737. A communication from the Administrator of the Risk Management Agency, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Catastrophic Risk Protection Endorsement; Regulations for the 1999 and Subsequent Reinsurance Years; Group Risk Plan of Insurance Regulations for the 2000 and Succeeding Crop Years, and the Common Crop Insurance Regulations; Basic Provisions'' (RIN0563-AB81) received on July 12, 2000; to the Committee on Agriculture, Nutrition, and Forestry.

EC–9738. A communication from the Director of the Office of Personnel Management (Insurance Policy and Information Division), transmitting, pursuant to law, the report of a rule entitled ''Federal Employees Health Benefits Program and Department of Defense Demonstration Project Amendment to 48 CFR, Chapter 16'' (RIN3206-AI67) received on June 5, 2000; to the Committee on Governmental Affairs.

EC–9739. A communication from the Director of the Office of Personnel Management (Insurance Policy and Information Division), transmitting, pursuant to law, the report of the Inspector General for the period of of October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9740. A communication from the Secretary of the Interior, transmitting, the report entitled ''Partners in Stewardship'' for fiscal year 1999; to the Committee on Governmental Affairs.

EC–9741. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report of the Inspector General for the period of of October 1, 1999 through March 31, 2000; to the Committee on Governmental Affairs.

EC–9742. A communication from the Director of the Census Bureau, Department of Commerce, transmitting, pursuant to law, the report of the rule entitled ''Foreign Trade Statistics Regulations: Amendment to clarify exporters' and forwarding agents' responsibilities in preparing the Shipper's Export Declaration or filing the information electronically using the Automated Export System and related provisions'' (RIN0607-AA20) received on July 10, 2000; to the Committee on Governmental Affairs.

EC–9743. A communication from the Director of the Office of Personnel Management, Workforce Compensation and Performance, transmitting, pursuant to law, the report of a rule entitled ''Pay Administration; Payments During Evacuation'' (RIN3206-AI76) received on July 10, 2000; to the Committee on Governmental Affairs.

EC–9744. A communication from the Director of the Office of Personnel Management (Employment Service), transmitting, pursuant to law, the report of a rule entitled ''Appointments of Persons with Psychiatric Disabilities'' (RIN3206-AI94) received on July 10, 2000; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMPSON, from the Committee on Governmental Affairs, with amendments:

H.R. 208: A bill to amend title 5, United States Code, to allow for the contribution of certain rollover distributions to accounts in the Thrift Savings Plan, to eliminate certain waiting-period requirements for participating in the Thrift Savings Plan, and for other purposes (Rept. No. 106–343).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. GRAMS:

S. 2858. A bill to amend title XVIII of the Social Security Act to ensure adequate payment rates for ambulance services, to apply a prudent layperson standard to the determination of medical necessity for emergency ambulance services, and to recognize the additional costs of providing ambulance services in rural areas; to the Committee on Finance.

By Mr. SCHUMER:

S. 2859. A bill to provide assistance to States in reducing the backlog of casework files awaiting DNA analysis and to make DNA testing available in appropriate cases to convicted Federal and States offenders; to the Committee on the Judiciary.

By Mr. ENZI:

S. 2860. A bill for the relief of Sammie Martine Orr; to the Committee on the Judiciary.

By Mr. FRIST:

S. 2861. A bill to establish a biannual certification of eligibility for development assistance based on the level of economic freedom of countries receiving United States development assistance and to provide for a phase-out of that assistance based on the certification, and for other purposes; to the Committee on Foreign Relations.

By Mr. SANTORUM:

S. 2862. A bill to suspend temporarily the duty on Exisulind; to the Committee on Finance.

By Mr. SMITH of New Hampshire:

S. 2863. A bill to prohibit use or sharing of medical health records or information by financial institutions and their affiliates, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SCHUMER:

S. 2864. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel R'ADVENTURE II; to the Committee on Commerce, Science, and Transportation.

By Mr. ROBB (for himself and Mr. WARNER):

S. 2865. A bill to designate certain land of the National Forest System located in the State of Virginia as wilderness; to the Committee on Energy and Natural Resources.

By Mr. STEVENS (for himself, Mr. JEFFORDS, Mr. KENNEDY, Mr. DODD, Mr. DOMENICI, Mr. KERRY, Mr. BOND, Mr. VOINOVICH, Mr. LAUTENBERG, Mr. COCHRAN, Mrs. MURRAY, Mr. SMITH OF OREGON, Mr. BINGAMAN, Mr. L. CHAFEE, Mr. DURBIN, Mr. MURKOWSKI, Mr. ROBERTS, Mr . ROBB, Mr. ROCKEFELLER, Mr. WELLSTONE, Mrs. FEINSTEIN, Ms. MIKULSKI, Ms. SNOWE, Mrs. BOXER, Mr. KERREY, and Mr. WARNER):

S. 2866. A bill to provide for early learning programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DEWINE:

S. 2867. A bill to provide for the funding and administration of a Veterans Mission for Youth Initiative within the Troops-to-Teachers Program; to the Committee on Health, Education, Labor, and Pensions.

By Mr. FRIST (for himself, Mr. JEFFORDS, Mr. KENNEDY, Mr. DODD, Mr. DEWINE, Mr. REED, Mrs. MURRAY, Mr. BOND, Mr. HATCH, Mr. GORTON, Mr. ABRAHAM, and Mr. DURBIN):

S. 2868. A bill to amend the Public Health Service Act with respect to children's health; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. HUTCHINSON, Mr. DASCHLE, Mr. BENNETT, Mr. LIEBERMAN, and Mr. SCHUMER):

S. 2869. A bill to protect religious liberty, and for other purposes; read the first time.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HELMS (for himself, Mr. LOTT, Mr. BIDEN, Mr. L. CHAFEE, Mr. DODD, Mr. LUGAR, Mr. COVERDELL, Mr. DOMENICI, Mr. LEAHY, Mr. GRASSLEY, Mr. BINGAMAN, Mr. GRAMM, Mr. MCCAIN, Mr. SMITH OF NEW HAMPSHIRE, Mr. CRAIG, Mrs. FEINSTEIN, Mrs. BOXER, Mr. FEINGOLD, Mrs. HUTCHISON, Mr. ASHCROFT, Mr. FRIST, Mr. GRAMS, Mr. DEWINE, Mr. KYL, and Mr. BROWNBACK):

S. Res. 335. A resolution congratulating the people of Mexico on the occasion of the democratic elections held in that country; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ENZI:

S. 2860. A bill for the relief of Sammie Martine Orr; to the Committee on the Judiciary.

THE RELIEF OF SAMMIE MARTINE ORR

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

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

S. 2860

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

SECTION 1. CLASSIFICATION AS A CHILD UNDER THE IMMIGRATION AND NATIONALITY ACT.

(a) IN GENERAL.—In the administration of the Immigration and Nationality Act, Sammie Martine Orr shall be classified as a child within the meaning of section 101(b)(1)(F) of such Act, upon approval of a petition filed on his behalf by the alien's adopting parents, citizens of the United States, pursuant to section 204 of such Act.

(b) LIMITATION.—No natural parent, brother, or sister, if any, of Sammie Martine Orr shall, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

By Mr. ROBB (for himself and Mr. WARNER):

S. 2865. A bill to designate certain land of the National Forest System located in the State of Virginia as wilderness; to the Committee on Energy and Natural Resources.

VIRGINIA WILDERNESS ACT OF 2000

Mr. ROBB. Mr. President, I come to the floor today to introduce a bill that will protect one of the most beautiful areas of Virginia. Today, with my colleague JOHN WARNER, I am introducing the Virginia Wilderness Act of 2000. This Act will provide wilderness status to two exceptional areas of Virginia. These areas, the ''Three Ridges'' and ''The Priest'' have long been recognized for their outstanding vistas, deep valleys and rugged beauty.

After receiving wilderness designation these areas will remain available for hunting, fishing, hiking, picnicking, and other traditional uses. Wilderness protections will ensure that ''The Three Ridges'' and ''The Priest'' remain available for the full enjoyment of our children, grandchildren and great-grandchildren.

This action is now fully supported by the Virginia delegation, and the communities closest to the proposed wilderness areas. I hope we will see quick action on this bill through the committee and that we can move it to floor and complete action on the bill this year.

I ask unanimous consent that this bill be printed in the RECORD.

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

S. 2865

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 ''Virginia Wilderness Act of 2000''.

SEC. 2. DESIGNATION OF WILDERNESS AREAS.

Section 1 of the Act entitled ''An Act to designate certain National Forest System lands in the States of Virginia and West Virginia as wilderness areas'' (Public Law 100–326; 102 Stat. 584) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

''(7) certain land in the George Washington National Forest, comprising approximately 6,500 acres, as generally depicted on a map entitled 'The Priest Wilderness Study Area', dated June 6, 2000, to be known as the 'Priest Wilderness Area'; and

''(8) certain land in the George Washington National Forest, comprising approximately 4,800 acres, as generally depicted on a map entitled 'The Three Ridges Wilderness Study Area', dated June 6, 2000, to be known as the 'Three Ridges Wilderness Area.''.

Mr. WARNER. Mr. President, I rise today in support of legislation to add two areas in my State to the National Wilderness Preservation System. These areas, known as The Priest and the Three Ridges, are located in the George Washington National Forest and comprise approximately 10,500 acres.

The Commonwealth of Virginia is blessed with rich geographic diversity. From the Chesapeake Bay in the East to the Appalachian Mountains in the West, residents of the state and visitors alike are able to participate in a broad range of activities not often found in other areas of the country.

The Priest and the Three Ridges, in particular, offer unique opportunities for visitors to enjoy scenic views, interaction with wildlife, hiking, fishing, and other types of outdoor recreation. These areas need to be protected from development, and this legislation would ensure that they remain pristine for the use and enjoyment of present and future generations.

Mr. President, I look forward to the designation of The Priest and Three Ridges as wilderness through the swift passage of this bill.

By Mr. STEVENS (for himself, Mr. JEFFORDS, Mr. KENNEDY, Mr. DODD, Mr. DOMENICI, Mr. KERRY, Mr. BOND, Mr. VOINOVICH, Mr. LAUTENBERG, Mr. COCHRAN, Mrs. MURRAY, Mr. SMITH of Oregon, Mr. BINGAMAN, Mr. L. CHAFEE, Mr. DURBIN, Mr. MURKOWSKI, Mr. ROBERTS, Mr. ROBB, Mr. ROCKEFELLER, Mr. WELLSTONE, Mrs. FEINSTEIN, Ms. MIKULSKI, Ms. SNOWE, Mrs. BOXER, Mr. KERREY, and Mr. WARNER):

S. 2866. A bill to provide for early learning programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

EARLY LEARNING OPPORTUNITIES ACT

Mr. JEFFORDS. Mr. President, I am pleased to join my colleagues from both sides of the aisle in the introduction of the ''Early Learning Opportunities Act of 2000''. We first brought this legislation to the floor of the Senate as an amendment to the reauthorization of the Elementary and Secondary Education Act. In fact, it is the pending amendment when we return to consideration of S.2.

Simply stated, this bill is designed to help parents and others who care for young children acquire the resources and tools that they need to do their most important job—-nurturing and teaching our children. There is broad, bi-partisan support for this legislation because many of my colleagues recognize the importance of learning in the first few years of life.

Science has taught us that the most explosive time of learning for humans is during the first few years of life. Parents and others who provide care for our children need some help and support to make the most of these early years. Changes in family structures, the weakening of the role of the extended family, and the rise in the number of working mothers have increased the need for communities to provide additional support for parents.

The Early Learning Opportunities Act builds on existing state and federal efforts by expanding the range of programs, the types of activities, and the populations served by other early learning initiatives. Current federal efforts focused on early childhood learning promote programs that provide full- or part-day out of home care and education. Rather than duplicate these programs, the Early Learning Opportunities Act places its emphasis on helping parents and other caretakers increase their abilities to support positive child development.

The Early Learning Opportunities Act will provide funding for parent support programs. Parents are their child's most important teachers. Before anyone thinks about kindergarten, teaching the alphabet, or counting the number of blocks in a tower, children are learning from their parents. When a parent talks and sings to an infant, the baby is learning about sounds and words as a method of communication. When children are fed and then rocked to sleep, they learn about security and love, which will contribute to their sense of self and autonomy. Long before they walk through the schoolhouse door, children have learned important lessons from their parents and others who have taken care of them during the first few years of life.

Funding for the Early Learning Opportunities Act can be used to promote effective parenting and family literacy through a variety of community-based programs, services and activities. If parents are actively engaged in their child's early learning, their children will see greater cognitive and non-cognitive benefits. While all parents want their children to grow up happy and healthy, few are fully prepared for the demands of parenthood. Many parents have difficulty finding the information and support they seek to help their children grow to their full potential. Making that information and support available and accessible to parents is a key component of the Early Learning Opportunities Act.

Early Learning Opportunities Act funds can be used to provide training for child care providers on early childhood development, child safety, and other skills that improve the quality of child care. For many families it is not possible for a parent to remain home to care for their children. Their employment is not a choice, but an essential part of their family's economic survival. And for most of these families, child care is not an option, but a requirement, as parents struggle to meet the competing demands of work and family. Just as it is essential that we provide parents with the tools they need to help their children grow and develop, we also must help the people who care for our nation's children while parents are at work.

States can use a portion of the funds made available for the Early Learning Opportunities Act for statewide initiatives, such as wage and benefit subsidies which encourage child care staff recruitment and incentives to increase staff retention Today, more than 13 million young children—including half of all infants—spend at least part of their day being cared for by someone other than their parents. In Vermont alone, there are about 22,000 children, under the age of six, in state-regulated child care.

The Early Learning Opportunities Act will improve local collaboration and coordination among child care providers, parents, libraries, community centers, schools, and other community service providers. By assessing existing resources and identifying local needs, the community organizations receiving funds will serve as a catalyst for the more effective use of early learning dollars and the removal of barriers that prevent more children, parents and caretakers from participating in good programs. Parents and child care providers will be able to access more services, activities and programs that help them care for children.

An investment in early learning today will save money tomorrow. Many of America's children enter school without the necessary abilities and maturity. Without successful remediation efforts, these children continue to lag behind for their entire academic career. We spend billions of dollars on efforts to help these children catch up. Research has demonstrated that for each dollar invested in quality early learning programs, the federal government can save over five dollars. These savings result from future reductions

in the number of children and families who participate in federal government programs like Title I, special education, and welfare.

The Early Learning Opportunities Act is designed to be locally controlled and driven by the unique needs of each community. The legislation authorizes $3.25 billion in discretionary funding over three years for early learning block grants to states. The bill ensures that the majority of the funds will channeled through the states to local councils. The councils are charged with assessing the early learning needs of the community, and distributing the funds to a broad variety of local resources to meet those needs. In Vermont, the Success by Six initiative has demonstrated the importance of placing the resources and responsibilities at the local community level.

The Early Learning Opportunities Act will serve as a catalyst to engage diverse sectors of the community in increasing programs, services, and activities that promote the healthy development of our youngest citizens. Funds may be used by the local councils in a variety of ways: to support reading readiness programs in libraries, parenting classes at the local health center, parent-child recreation programs in the park, and child development classes at the school. Access to existing early learning programs can be increased by expanding the days or times that young children are served, by increasing the number of children served, or by improving the affordability of programs for low-income children. Transportation can be provided to increase participation in early learning programs, activities and services. By keeping the use of the funds flexible, local councils can work with parents, health care professionals, educators, child care providers, recreation specialists, and other groups and individuals in the community to create an affordable, accessible network of early learning activities.

The Early Learning Opportunities Act will help parents and care givers who are looking for better ways to integrate positive learning experiences into the daily lives of our youngest children. When children enter school ready to learn, all of the advantages of their school experiences are opened to them—their opportunities are unlimited. I urge my colleagues to support and co-sponsor the ''Early Learning Opportunities Act of 2000''. I urge you to give our nation's children every opportunity to succeed in school and in life.

Mr. KENNEDY. Mr. President, our bipartisan goal in introducing The Early Learning Opportunities Act is to provide greater support for parents across the country in preparing their children for a lifetime of learning, beginning at the earliest age.

I commend Senators STEVENS, JEFFORDS, DODD, DOMENICI, and KERRY for their support and leadership in developing this legislation and in seeing to it that children's voices are heard and their needs are a priority in this Congress. Senator KERRY and I have worked together to improve early learning opportunities in Massachusetts, and this national initiative is based in part on successful models in our state. Senator DODD has been an outstanding leader on children's issues for many years. Senator JEFFORDS, the chairman of our Senate committee, has shown great skill and determination in shaping this legislation, and in keeping our committee focused on the important issue of early learning. Senator DOMENICI has been an essential ally throughout the development of this bill, as has the senior Senator from Alaska. Senator STEVENS and I introduced the Early Learning Trust Fund Act as a predecessor to this legislation, and he was a leader in obtaining approval of $8.5 billion for early learning in this year's Senate budget resolution.

Clearly, the need for this legislation is urgent. Today's families are legitimately worried about the quality of care provided to their infants and toddlers while the parents are at work. Of mothers with children aged zero to five, a record 64 percent worked outside the home in 1999. The average cost of care for each of these children is four to ten thousand dollars a year. This is their highest expense besides food and shelter, consuming a quarter to half of their wages. Too often, even this level of sacrifice isn't enough. Many families simply cannot find quality care for their children. Facilities are dangerous, crowded, or closed at the nontraditional times that many mothers work. Low wages attract the least skilled care givers, over a third of whom quit each year. Enforcement of quality standards is rare. Elementary and Secondary education fully deserve to be a priority for the nation, but so does early learning—and it is needed at a time when many young families are least able to bear the full cost.

In Massachusetts, the Community Partnerships for Children Program currently provides quality full-day early learning for 15,300 young children from low-income families. Yet today, over 14,000 additional eligible children in the state are waiting for the early learning services they need—and some have been on the waiting list for 18 months. A 1999 report by the Congressional General Accounting Office on early learning services for low-income families was unequivocal—''infant toddler care [is] still difficult to obtain.''

Even as the need to provide early learning opportunities increases, it is clear that many current facilities are unsafe. The average early learning provider is paid under seven dollars an hour—less than the average parking lot attendant or pet sitter. These low wages result in high turnover, poor quality of care, and little trust and bonding with the children.

The Nation's military faced these same problems in the 1980's, and because of the threat that the poor quality of care posed to children, to morale, and to retention of personnel, the armed forces worked long and well to create a model program. The Defense Department now provides quality care to 200,000 children. Many European nations have followed the same path as the U.S. military, building a broad array of quality early learning models that prepare children to reach their full potential.

Head Start is one example of the kind of quality program that has already proved effective throughout the United States. A recent survey found that more parents are satisfied with Head Start than any other federal program. But only two in five eligible 3- and 4-year-olds are enrolled in Head Start—and only one in 100 eligible infants and toddlers are enrolled in Early Head Start. As a result, literally millions of young children never have the chance to reach their full potential. We must do better, and we can do better.

It is time to act to make early learning a top education priority for the nation, just as governors urged us to do a full decade ago. All preschool children should have access to the kind of care and brain stimulation necessary to enable them to enter school ready to learn. We cannot rest until all children have the opportunity to develop to their full potential.

Academic studies have confirmed what parents have long understood—education occurs over a continuum that begins at birth and extends throughout life. Study after study proves that positive brain stimulation very early in life significantly improves a child's later ability to learn, to interact successfully with teachers and peers, and to develop crucial skills like curiosity, trust, and perseverance. Two years ago, the Rand Corporation reported that ''after critically reviewing the literature and discounting claims that are not rigorously demonstrated, we conclude that these [early learning] programs can provide significant benefits.'' Governors, state legislatures, local governments, and educators have all supported these studies and called for increased investments in early learning as the most effective way to promote healthy and constructive behavior.

The goal of this legislation is to enable all children to enter school ready to learn, and to maximize the impact of federal, state, and local investments in education. We must do more to ensure that children have access to the experiences they need during the five or six years before they walk through their first schoolhouse door. Education begins at birth. It is not a process that occurs only in a school building during

a school day. When our policies respond to this reality, we will reduce delinquency, improve productivity, and become a stronger and better nation. Early learning programs are good for children, good for parents and good for society as a whole.

The Committee for Economic Development reports that the nation can save over five dollars in the future for every dollar invested in early learning today. The investment significantly reduces the number of families on welfare, the number of children in special education, and the number of children in the juvenile justice system. Investment in early learning is not only morally right—it is economically right.

Two months ago, Fight Crime: Invest in Kids, a bipartisan coalition including hundreds of police chiefs, sheriffs, and crime victims, released another convincing report. It finds that children who receive quality early learning are half as likely to commit crimes and be arrested later in life. Our greatest opportunity to reach at-risk children is in their youngest years.

It is especially important for low-income parents who accept the responsibility of work under welfare reform to have access to quality early learning opportunities for their children. The central idea of welfare reform is that families caught in a cycle of dependence can be shown that work pays. But children's development must not be sacrificed as families move from welfare to work.

We must expand access to Head Start and Early Head Start. We must make parenting assistance available to all who want it. We must support model state efforts that have already proved successful, such as Community Partnerships for Children in Massachusetts and Smart Start in North Carolina, which rely on local councils to identify early learning needs in each community and allocate new resources to meet them. We must give higher priority to early childhood literacy. In ways such as these, we can take bolder action to strengthen early learning opportunities in communities across the nation.

The legislation that we introduce today will move us closer to all of these goals. It includes $3.25 billion over the next three years to enable local communities to fill the gaps that limit current early learning efforts. Local councils will direct the funds to the most urgent needs in each community. These needs include parenting support and education—improving child care quality through professional development and retention initiatives—expanding the times and the days that parents can obtain these services—enhancing childhood literacy—and greater early learning opportunities for children with special needs. These priorities are designed to strengthen early learning programs in all communities across the country, and give each community the opportunity to invest the funds in ways that will meet its most urgent needs.

Much more needs to be done to improve early learning throughout America. But we know from our experience in improving the military's early learning program that with small steps, over time we can go a long way. I urge the Senate to approve this important bill, and I look forward to its enactment and to the significant differences it will make.

By Mr. DEWINE:

S. 2867. A bill to provide for the funding and administration of a Veterans Mission for Youth Initiative within the Troops-to-Teachers Program; to the Committee on Health, Education, Labor, and Pensions.

VETERANS MISSION FOR YOUTH INITIATIVE

Mr. DEWINE. Mr. President, I am pleased to introduce a bill today—the ''Veterans Mission for Youth Initiative''—that would expand the current mission of the successful Troops to Teachers program. As many of my colleagues know, Troops to Teachers is a practical and sensible teacher recruitment program—a program that helps our veterans and retired military personnel gain the necessary certification to teach in our children's classrooms.

The bill I am introducing today would build on the current program's success by expanding its mission to help veterans who want to volunteer in our schools and be role models, but do not necessarily want to become certified teachers. This bill not only will help children benefit from the knowledge and experiences of veterans, but it also will help our veterans get more involved and active in their own local communities. I am pleased that Governor George W. Bush is proposing this same idea today in Pittsburgh.

Specifically, the ''Veterans Mission for Youth Initiative,'' would authorize $75 million to be used for matching federal grants to community organizations that help train and then link veterans and retired military personnel with local school volunteer opportunities to mentor and tutor students. The grant program will be administered through the Defense Department's Defense Activity for Non-Traditional Education Support division, which runs the Troops-to-Teachers program.

Mr. President, the sad reality is that our schools are in crisis—especially in the inner cities and in places like Appalachia. And, I am frustrated and saddened that far too many children simply are not getting the quality education they deserve. The current Troops to Teachers program is helping to improve educational quality in America by providing mature, motivated, experienced, and dedicated personnel for our nation's classrooms. In fact, when administrators were asked to rate Troops to Teachers participants in their schools, 54 percent of the administrators said that the former military personnel turned teachers were among the best teachers at the schools. I am pleased to say that since 1994, 3,720 retired members of the U.S. military have been hired as teachers in all 50 states.

Additionally, a 1999 alternative teacher certification study found that participants in the Troops to Teachers program broaden the make-up and skills of our current teacher pool. For example, 30 percent of participants are minorities, compared to 10 percent of all teachers; 30 percent of participants are teaching math, compared to 13 percent of all teachers; 39 percent are willing to teach in inner cities compared to the current 16 percent urban teaching force; and 90 percent are male, compared to the overall current teaching force which is 26 percent male.

By expanding the current mission of the Troops to Teachers program by helping to link veterans with community volunteer opportunities to tutor and mentor school children, we can strengthen our education system overall. By linking students and America's retired military personnel—men and women who have exhibited the ideals of discipline, order, courage, and civic responsibility—we can teach our children valuable lessons outside the classroom.

Sadly, Mr. President, a recent survey of American youth, called the ''New Millennium Project,'' found that students chose as their three lowest-ranking priorities in life: 1. Being a good citizen who cares about the good of the country; 2. Being involved in democracy and voting; and 3. Being involved in helping make one's community a better place. Furthermore, a recent survey by the Horatio Alger Society found that 21 percent of students had no heroes.

We need to change this, Mr. President. We need to change these apathetic and aimless attitudes. We need to give American youth some direction—the right direction. After all, these children are our future—we need to equip them with an arsenal of lessons—lessons they can learn in the classroom and out of the classroom by interacting with our country's heroes—our veterans.

The bottom line is this: As a nation, we need to do all we can to get the best teachers available into our public schools. We are trying to do just that through the current Troops to Teachers program. Now, the ''Veteran's Mission for Youth Initiative'' is another step in that direction. I urge my colleagues to support this effort and to join me in taking an important step toward improving education in this country. We owe it to our children; we it to our veterans; and we owe it to our nation.

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

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

S. 2867

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 ''Veterans Mission for Youth Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Since 1994, 17,148 retired members of the United States Armed Forces have applied to participate in the Troops-to-Teachers program and 3,720 such members have been hired as teachers in 50 States.

(2) The mission of the Troops-to-Teachers program is to help improve American Education by providing mature, motivated, experienced, and dedicated personnel for the nation's classrooms.

(3) The Troops-to-Teachers program provides positive role models for the nation's public school students.

(4) Ninety percent of Troops-to-Teachers participants are male, compared to 26 percent of the existing teaching force.

(5) Nearly 30 percent of Troops-to-Teachers participants are minorities compared to 10 percent in the existing teaching force.

(6) The Troops-to-Teachers program helps relieve teacher shortages, especially in the subjects of math and science.

(7) School administrators who work with Troops-to-Teachers participants were asked to rate such participants in their schools, 54 percent of such administrators said that the former military personnel turned teachers were well above average or were among the best teachers at the schools.

(8) The 1999 Alternative Teacher Certification study by C, Emily Feistritzer found that 30 percent of Troops-to-Teachers participants are minorities compared to 10 percent of all teachers, 30 percent are teaching math compared to 13 percent of all teachers, 25 percent teach in urban schools, and 90 percent are male compared to the current teaching force which is 74 percent female.

(9) America's 25,000,000 veterans have exhibited the ideals of discipline, order, courage, and civic responsibility that are important lessons for America's children.

(10) The recent survey of American youth, the ''New Millennium Project'' found that students chose as their 3 lowest-ranking priorities in life—being a good citizen who cares about the good of the country, being involved in democracy and voting, and being involved in helping make one's community a better place.

(11) A recent survey by the Horatio Alger Society found that 21 percent of students had no heroes.

SEC. 3. ESTABLISHMENT OF A VETERANS MISSION FOR YOUTH INITIATIVE.

Title XVII of the National Defense Authorization Act of Fiscal Year 2000 (commonly known as the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301 et seq.)) is amended by adding at the end the following:

''SEC. 1710. VETERANS MISSION FOR YOUTH INITIATIVE.

''(a) ESTABLISHMENT.—The Secretary of Defense, acting through the Defense Activity for Non-Traditional Education Support Division of the Department of Defense, shall establish an initiative to be known as the 'Veterans Mission for Youth Initiative' to award grants to eligible organizations to provide mentoring, tutoring, after-school and other programs for youth.

''(b) ELIGIBILITY.—

''(1) IN GENERAL.—To be eligible to receive a grant under subsection (a), an organization shall—

''(A) be a community organization that provides, or intends to provide, services to link individuals described in paragraph (2) with youth;

''(B) prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

''(C) provides assurances to the Secretary that the organization with provide matching funds as required under paragraph (3); and

''(D) meet such other requirements as the Secretary may prescribe.

''(2) INDIVIDUALS ELIGIBLE TO PROVIDE SERVICES.—An individual described in this paragraph is any member of the Armed Forces—

''(A) who was—

''(i) discharged or released from active duty after 6 or more years of continuous active duty immediately before the discharge or release; or

''(ii) involuntarily discharged or released from active duty for purposes of a reduction of force after 6 or more years of continuous active duty immediately before the discharge or release; and

''(B) who's last period of service in the Armed Forces was characterized as honorable; and

''(C) who satisfies such other criteria for selection as the Secretary may prescribe.

''(3) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section an eligible organization shall agree to make available (directly or through donations from public or private entities) non-Federal contributions toward the cost of carrying out the program established under the grant in an amount equal to the amount provided under the grant.

''(c) USE OF FUNDS.—An organization shall use amounts provided under a grant under this section to carry out a program to facilitate linkages between individuals described in subsection (b)(2) and youth through the provision by such individuals of mentoring, tutoring, after-school and other services.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $75,000,000 for fiscal year 2001, and such sums as may be necessary for each subsequent fiscal year.''.

By Mr. FRIST (for himself, Mr. JEFFORDS, Mr. KENNEDY, Mr. DODD, Mr. DEWINE, Mr. REED, Mrs. MURRAY, Mr. BOND, Mr. HATCH, Mr. GORTON, Mr. ABRAHAM, and Mr. DURBIN):

S. 2868. A bill to amend the Public Health Service Act with respect to children's health; to the Committee on Health, Education, Labor, and Pensions.

CHILDREN'S PUBLIC HEALTH ACT OF 2000

Mr. FRIST. Mr. President, I am pleased to be joined by Senators JEFFORDS, KENNEDY, DODD, DEWINE, REED, MURRAY, BOND, HATCH, GORTON, ABRAHAM, and DURBIN to introduce the Children's Public Health Act of 2000.

This bill is the result of months of close collaboration begun last fall between members of the Health, Education, Labor and Pensions Committee, and in discussion with Congressmen BLILEY and BILIRAKIS to begin an effort to address children's health issues this Congress.

I am pleased that the House has already passed a companion bill to the one which we introduce today, and I look forward to working with the House to ensure that we enact this needed bill by the end of the year.

The Children's Public Health Act of 2000 has four overriding themes represented in its four titles: Injury Prevention, Maternal and Infant Health, Pediatric Health Promotion, and Pediatric Research. I view these four themes as critical to ensuring that we are able to promote the health of our Nation's children.

In the first title we address the critical problem of unintentional injuries. According to the CDC, unintentional injuries are the leading cause of death for every age group between 1 and 19 years of age. Unintentional injuries comprise 26 deaths per 100,000 children aged 1–14 and 62 deaths per 100,000 children aged 15–19. In addition, more than 1,500,000 children in the United States sustain a brain injury each year. To help address this problem, the bill would reauthorize and strengthen the Traumatic Brain Injury programs at the Centers for Disease Control (CDC) and Prevention, the National Institutes of Health (NIH) and the Health Resources and Services Administration (HRSA).

The bill also includes a provision which I originally introduced with Senator DODD in March of this year, to address the issue of child care health and safety. In my own state of Tennessee, there have been 4 deaths in the past 3 years in child care settings, and 1 in 15 child-care programs in the Nashville area were found by state inspectors to have potentially put the health and safety of children at risk during 1999. In addition, in 1997, 31,000 children aged 4 and younger were treated in hospital emergency rooms for injuries sustained in child care or school settings across this nation. Therefore, the bill contains child care safety and health grants to assist states to fund specific activities to increase safety and health in child care settings.

To address the tragic fact that birth defects are the leading cause of infant mortality and are responsible for about 30 percent of all pediatric hospital admissions, the second title of the bill focuses on maternal and infant health. According to the CDC, an estimated 3,000 birth defects have been identified, of which 70 percent have no known cause. To provide national leadership to combat birth defects, the bill would establish a National Center for Birth Defects and Developmental Disabilities at the CDC, which is strongly supported by the March of Dimes and other birth defects groups, to collect, analyze, and distribute data on birth defects. In addition, the bill authorizes the Healthy Start program for the first

time, which is designed to reduce the rate of infant mortality and improve perinatal outcomes by providing grants to areas with a high incidence of infant mortality and low birth weight. This bill also contains folic acid education programs to spread the knowledge of the positive health effects of folic acid in the diet of pregnant women.

To address the fact that over 3,000 women experience serious complications due to pregnancy and that 2 to 3 of these women will die from pregnancy complications, the bill would develop a national monitoring and surveillance program to better understand the burden of material complications and mortality and to decrease the disparities among populations at risk of death and complications from pregnancy.

The third title addresses the promotion of pediatric health by focusing on screening and prevention programs to combat some of the most common childhood diseases and conditions. This bill helps to combat asthma, the most common chronic disease of childhood, affecting nearly 5 million children under the age of 18 in the United States, by providing comprehensive asthma services to children and to coordinate the wide range of asthma prevention programs in the federal government.

We also focus on childhood obesity, which has increased by 100% among children in just the past 15 years, and has resulted in 4.7 million children and adolescents ages 6–19 years becoming seriously overweight. To address this obesity epidemic, the bill provides programs to support the development, implementation, and evaluation of state and community-based programs to promote good nutrition and increased physical activity among American youth.

In examining the problems affecting children across the nation and in Tennessee, I was very concerned to learn that in Memphis, Tennessee, over 12 percent of children under the of age of 6 have screened positive for lead poisoning. At high levels, lead can cause a variety of debilitating health problems, including seizure, coma, and even death. At lower levels, lead can contribute to learning disabilities, loss of intelligence, hyperactivity, and behavioral problems. This bill includes physician education and training programs on current lead screening policies, tracks the percentage of children in the Health Centers program who are screened for lead poisoning, and conducts outreach and education for families at risk of lead poisoning.

This bill also targets pediatric oral health, which was recently highlighted by the May 2000, Surgeon General report which focused on the fact that oral health is inseparable from overall health, and that while there have been great improvements in oral health for a majority of the population, there are disparities that primarily affect poor children and those who live in underserved areas of our country, with 80 percent of all dental cavities found in 20 percent of children. This bill would support community-based research and training to improve the understanding of etiology, pathogenesis, diagnoses, prevention, and treatment of pediatric oral, dental, and craniofacial diseases. In addition, the bill would provide state grants to increase community water fluoridation and to provide school-based dental sealant services to children in low income areas.

The last title of this bill is a focus on strengthening pediatric research efforts in the country. To give us a fuller understanding of how we can help promote the health of our children we establish a Pediatric Research Initiative within the National Institutes of Health to enhance collaborative efforts, provide increased support for pediatric biomedical research, and ensure that opportunities for advancement in scientific investigations and care for children are realized. The bill would also expand research into autism, which affects 1 in 500 children, establish a long term Child Development Study at the NIH to evaluate the effects of both chronic and intermittent exposures on human development.

Mr. President, this bill is comprehensive; it systematically addresses several critical childhood health issues and I am committed to ensure that it will be enacted before the end of this Congress. I would like to thank Senator JEFFORDS, the chairman of the Senate Health, Education, Labor and Pensions Committee and Senator KENNEDY and their staffs for their critical collaboration which has led to the development of a strong bipartisan bill. I would also like to thank Senators DODD, DEWINE, REED, MURRAY, BOND, HATCH, GORTON, ABRAHAM, and DURBIN, for their work on selected provision's in this bill and to their commitment to children's health issues. I would also like to thank Mr. Bill Baird, from the Office of Senate Legislative Counsel, for his great work in drafting this bill. I ask unanimous consent that a full summary of the bill appear in the RECORD following my remarks.

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

THE CHILDREN'S PUBLIC HEALTH ACT OF 2000—SUMMARY

In an effort to address the health and well being of our most precious resource, the Children's Public Health Act of 2000 amends the Public Health Service Act to revise, extend, and establish programs with respect to children's health research, health promotion and disease prevention activities conducted through Federal public health agencies. The Act contains four titles to address critical issues in the areas of children's health; including Injury Prevention, Maternal and Infant Health, Pediatric Public Health Promotion, and Pediatric Research.

TITLE I—INJURY PREVENTION

Subtitle A—Traumatic Brain Injury

Traumatic Brain Injury (TBI) is a term descriptive of injury occurring to the brain as a result of external forces. These injuries may include intracranial (inside the skull) or intraparenchymal (inside the brain tissue) hemorrhage, parenchymal edema, or shear injury. The CDC Center for Injury Prevention estimates that more than 1,500,000 children in the US sustain a brain injury each year, and many more are living with the consequences. According to the CDC National Center for Health Statistics, unintentional injuries including TBI are the leading cause of death for every age group from 1 to 19 years of age, comprising 26 deaths per 100,000 children aged 1–14 and 62 deaths per 100,000 children aged 15–19. Younger children and infants are at an increased risk of brain injury because the size and weight of their heads is greater in proportion to their body size. Young children also lack mature muscle control, which contributes to an increased risk of head injury.

This provision would reauthorize the Traumatic Brain Injury Act of 1996 to extent the authority for CDC to support research into strategies for the prevention of TBI and implementing public information and education programs for the prevention of TBI. NIH research is expanded to cognitive disorders and neurobehavioral consequences arising from TBI. The bill authorizes HRSA to make grants for community support services to develop, change, or enhance service delivery systems. Grants may be used to educate consumers and families, train professionals, improve case management, develop best practices in the areas of family support, return to work, and housing for people with traumatic brain injury.

Subtitle B—Child Care Safety and Health Grants

Of the 21 million children under the age of 6 in the United States, almost 13 million spend some part of their day in child care. There is alarming evidence to suggest that more must be done to improve the health and safety of children in child care settings. For example, a 1998 Consumer Product Safety Commission Study revealed that two-thirds of the 200 licensed child care settings investigated exhibited safety hazards, such as insufficient child safety gates, cribs with soft bedding, and unsafe playgrounds. In 1997 alone, 31,000 children age 4 and younger were treated in hospital emergency rooms for injuries sustained in child care school settings. Even more tragically, since 1990 more than 56 children have died in child care settings.

To address the need for increased safety of child care facilities, this provision would give the Secretary of Health and Human Services the authority to provide grants to states to carry out activities related to the improvement of the health and safety of children in child care settings. Grants may be used for two or more of the following activities: train and educate child care provides to prevent injuries and illnesses and to promote health-related practices; strengthen and enforce child care provider licensing, regulation, and registration; rehabilitate child care facilities to meet health and safety standards; provide health consultants to give health and safety advice to child care providers; enhance child care providers' ability to serve children with disabilities; conduct criminal background checks on child care providers; provide information to parents on choosing a safe and healthy setting for their children; or improve the safety of transportation of children in child care.

TITLE II—MATERNAL AND INFANT HEALTH

Subtitle A—Safe Motherhood and Infant Health Prevention

Every day, 2–3 women die from pregnancy complications and over 3,000 women experience serious complications due to pregnancy. Despite nearly 4 million deliveries in the United States each year, we have little information about unintended health consequences related to pregnancy and childbirth. The nation's infant mortality rate has steadily declined over the last decade, but the percentage of women who die in childbirth has remained unchanged. Maternal mortality rates reveal significant disparities between African American and white women, but the reasons for those differences are not well understood. When compared with white women, black women continue to have four times the risk for dying from complications of pregnancy and childbirth.

The provision would authorize the Secretary of HHS to develop a national monitoring and surveillance program to better understand the burden of maternal complications and mortality and to decrease the disparities among populations at risk of death and complications from pregnancy. The provision would also allow the Secretary to expand the Pregnancy Risk Assessment Monitoring System program to provide surveillance and data collection in each of the 50 States. Furthermore, the provision would expand research concerning risk factors, prevention strategies, and the roles of the family, health care providers, and the community in safe motherhood. The provision also authorizes public education campaigns on healthy pregnancies, education programs for health care providers, and activities to promote community support services for pregnant women. Finally, the provision provides grant funding for research initiatives and prevention programs on drug, alcohol, and smoking prevention and cessation for pregnant women.

Subtitle B—Healthy Start Initiative

The Healthy Start initiative began as a demonstration project in 1991 to help mothers from disadvantaged neighborhoods improve their chances of having a healthy pregnancy and, ultimately, a healthy baby. This provision authorizes the Healthy Start program for the first time. Healthy Start is designed to reduce the rate of infant mortality and improve perinatal outcomes by providing grants to areas with a high rate of infant mortality and low birth weight. Newly authorized services include expanding access to surgical services to the fetus, pregnant woman, and infant during the first year after birth.

Subtitle C—National Center for Birth Defects and Developmental Disabilities

Birth defects are the leading cause of infant mortality and are responsible for about 30% of all pediatric hospital admissions. According to the CDC, of the estimated 3,000 different birth defects that have been identified, up to 70% without a known cause. Of the four million babies born each year in the United States, approximately 150,000 are born with one or more serious birth defects. About 17% of U.S. children under 18 years of age have a developmental disability. In the United States, 12 out of every 1,000 school children have mental retardation, approximately 10,000 infants born each year develop cerebral palsy, and as many as 1 in every 500 children under 15 years of age may have one of the autism spectrum disorders.

This provision would create a National Center for Birth Defects and Developmental Disabilities within the CDC. The purpose of this Center would be to collect, analyze, and distribute data on birth defects including information on causes, incidence, and prevalence; conduct applied epidemiological research on the prevention of such defects; and provide information to the public on proven prevention activities.

Subtitle D—Folic Acid Education Programs

Each year, an estimated 2,500 infants are born in the United States with serious birth defects of the brain and spine, called neural tube defects. The most common neural tube defects are spina bifida, which is due to an incomplete closure of the spinal column, and anencephaly, a fatal condition where an infant is born with a severely underdeveloped brain and skull. Spina bifida is the leading cause of childhood paralysis. As many as 70 percent of all neural tube birth defects could be prevented if all women of childbearing age consumed 400 micrograms of folic acid daily, beginning before pregnancy. Folic acid is a B vitamin found naturally in leafy green vegetables, beans, citrus fruits, and juices. Since January 1998, the Food and Drug Administration has required that all foods containing enriched flour, such as breads, pasta, and breakfast cereal, be fortified with folic acid. In addition to consuming a diet high in folate-rich foods, a daily multivitamin is one of the most reliable sources of folic acid. A majority of women are not aware of this prevention opportunity, nor are they consuming the recommended daily amount. A national folic campaign is needed to urge women to take this simple step to prevent neural tube defects.

This provision would establish a national folic acid education program to prevent birth defects. CDC, in partnership with the States and local, public, and private entities, is authorized to launch an education and public awareness campaign; conduct research to identify effective strategies for increasing folic acid consumption by women of reproductive capacity; and evaluate the effectiveness of these strategies.

TITLE III—PEDIATRIC PUBLIC HEALTH PROMOTION

Subtitle A—Asthma

Asthma is the most common chronic disease of childhood. It affects nearly five million children under the age of 18 in the United States, and the incidence is dramatically increasing. Several studies suggest that between 1980 and 1994, asthma increased 160% among children under age 4, and 74% among children aged 5–14. According to the National Center for Health Statistics, children under 18 years of age miss nearly 72 out of every 1,000 school days due to asthma. This is more than three times the number of missed school days than their unaffected peers accounting for almost 10 million missed days each year.

This provision would authorize the Secretary to award grants to provide comprehensive asthma services to children, equip mobile care clinics, conduct patient and family education on asthma management, and identify children eligible for Medicaid, the State Children's Health Insurance Program, and other children's health programs. This provision amends the Preventive Health and Health Services Block Grant program to provide for the establishment, operation, and coordination of effective and cost-efficient systems to reduce the prevalence of asthma and asthma-related illnesses among urban populations, especially children, by reducing the level of exposure to cockroach allergen through the use of integrated pest management. This provision also requires HHS to establish a coordinating committee to identify all Federal programs that carry out asthma-related activities; develop, in consultation with appropriate Federal agencies, professional and voluntary health organizations, a Federal plan for responding to asthma; and submit recommendations to Congress within 12 months after enactment regarding ways to strengthen and improve the coordination of asthma-related Federal activities.

Subtitle B—Childhood Obesity Prevention

Obesity has increased by more than 50 percent among adults and 100 percent among children in just the past 15 years. Approximately 4.7 million children, or 11% of youths ages 6–19 years are seriously overweight. Obesity is associated with many of the leading causes of death and disability, including heart disease, diabetes, certain forms of arthritis, and cancer. Research shows that 60% of overweight 5 to 10 year old children already have at least one risk factor for heart disease (hyperlipidemia, hypertension, or altered insulin levels). Almost 25 percent of young people ages 6–17 are overweight, and the percentage who are seriously overweight has doubled in the last 30 years. Part of the reason for youth inactivity is the reduction of daily participation in high school physical education classes has declined from 42 percent in 1991 to 27 percent in 1997.

This provision would authorize the CDC to administer a competitive grant program to support the development, implementation, and evaluation of state and community-based programs to promote good nutrition and increased physical activity among American children and adolescents. States would be required to develop comprehensive, inter-agency school- and community-based approaches to encourage and promote nutrition and physical activity in local communities. The proposal would allow CDC to provide states with technical support as well as disseminate information about effective prevention strategies and interventions in treating obesity.

The CDC will coordinate and conduct research to improve our understanding of the relationship between physical activity, diet, health, and other factors that contribute to obesity. Research will also focus on developing and evaluating effective strategies for the prevention and treatment of obesity and eating disorders, as well as study the prevalence and cost of childhood obesity and its effects into adulthood.

The CDC in collaboration with State and local health, nutrition, and physical activity experts, will develop a nationwide public education campaign regarding the health risks associated with poor nutrition and physical inactivity, and will promote information on effective ways to incorporate good eating habits and regular physical activity into daily living.

The CDC, in collaboration with HRSA, will develop and carry out a program to train health professionals in effective strategies to better identify, assess, and counsel (or refer) patients with obesity, an eating disorder, or who are at risk of becoming obese or developing an eating disorder. They will also develop and carry out a program to educate and train educators and child care professionals in effective strategies to teach children and their families about ways to improve dietary habits and levels of physical activity.

Subtitle C—Childhood Lead Prevention

At high levels, lead can cause a variety of debilitating health problems, including seizure, coma, and even death. At lower levels,

lead can contribute to learning disabilities, loss of intelligence, hyperactivity, and behavioral problems. Screening is a critical element in eliminating childhood lead poisoning because in most cases there are no distinctive or obvious symptoms. Children with elevated blood lead levels are seven times more likely to drop out of high school and six times more likely to have reading disabilities. It costs an average of $10,000 more a year to educate a lead-poisoned child.

This provision requires HRSA to report annually to the Congress on the percentage of children in the Health Centers program who are screened for lead poisoning. Requires HRSA to work with the CDC and HCFA to conduct physician education and training programs on current lead screening policies along with the scientific, medical, and public health basis for such policies.

This provision requires CDC to issue recommendations and establish requirements for its grantees to ensure uniform and complete reporting of blood lead levels from laboratories to State and local health departments and to improve data linkages between health departments, CDC, WIC, Early Head Start, and other federally funded means-tested public benefit programs.

This provision authorizes new funding through the Maternal and Child Health Block Grant to states with a demonstrated need (based on local surveillance data) to conduct outreach and education for families at risk of lead poisoning, provide individual family education designed to reduce exposures to children with elevated blood lead levels, implement community environmental interventions, and ensure continuous quality measurement and improvement plans for communities committed to comprehensive lead poisoning prevention.

Subtitle D—Oral Health

In May 2000, the Surgeon General of the United States published the landmark report, Oral Health in America: A Report of the Surgeon General. The report focuses on the fact that oral health is inseparable from overall health. However, tooth decay is the most prevalent preventable chronic disease of childhood and only the common cold, the flu and onitis media occur more often among young children. And while there have been great improvements in oral health for a majority of the population, there are disparities that primarily affect poor children and those who live in underserved areas of our country, with 80 percent of all dental cavities found in 20 percent of the children. ''The devastating consequences of untreated disease can affect children's health and well being, causing pain and suffering, time lost from school, loss of permanent teeth, self-consciousness and loss of self-esteem, and even more complications in children with coexisting medical conditions.'' The United States must improve and enhance the training of dental health professionals to meet the increasing need for dental services for children .

This provision would require the Secretary of HHS to support community-based research and training to improve the understanding of etiology, pathogenesis, diagnoses, prevention and treatment of pediatric oral, dental and craniofacial diseases and conditions. The Secretary of HHS is authorized to provide grants to States to increase community water fluoridation and to provide school-based dental sealant services to children in low income areas.

TITLE VI—PEDIATRIC RESEARCH

Subtitle A—Pediatric Research Initiative

The rapidly expanding knowledge base in genetics and biomedicine affords an unparalleled opportunity to understand gene-environment interactions and to apply this knowledge to the benefit of children and society. Findings in pediatric research not only promote and maintain health throughout a child's lifespan, but also contribute significantly to new insights and discoveries that will aid in the prevention and treatment of illnesses and conditions among adults. A growing body of evidence shows that risk factors for diseases such as coronary artery disease and stroke begin in childhood and persist through adulthood.

This provision would establish a Pediatric Research Initiative within the National Institutes of Health (NIH) to enhance collaborative efforts, provide increased support for pediatric biomedical research, and ensure that expanding opportunities for advancement in scientific investigations and care for children are realized.

The Secretary of Health and Human Services (HHS) will make available enhanced support for activities relating to the training and career development of pediatric researchers, including general authority for loan repayment of a portion of education loans.

Subtitle B—Autism

Autism and autism spectrum disorders are biologically-based neurodevelopment diseases that cause severe impairments in language and communication. These disorders often manifest in young children sometime during the first two years of life. Estimates indicate that 1 in 500 children born today will be diagnosed with an autism spectrum disorder and that 400,000 Americans have autism or an autism spectrum disorder.

Under this provision, the Director of NIH shall expand, intensify, and coordinate the activities of the NIH with respect to research on autism. The Director of NIH will carry out through NIMH and other agencies that may be appropriate, and establish not less than five Centers of Excellence on autism research. Each center will conduct basic and clinical research into the cause, diagnosis, early detection, prevention, control and treatment of autism, including research in the fields of developmental neurobiology, genetics and psychopharmacology. The Director shall provide for the coordination of information among centers. A center may provide individuals referrals for health and other services and patient care services as required for research. The Director shall provide for a program under which samples of tissues and genetic materials that are of use in research on autism are made available for this research.

The proposal also establishes through the CDC, at least three regional centers of excellence in autism and pervasive developmental disabilities epidemiology to collect and analyze information on the number, incidence, and causes of autism and related developmental disabilities would be established. The Secretary shall establish a program to provide information on autism to health professionals and the general public, and establish an Autism Coordinating Committee to coordinate all efforts within HHS on autism.

Subtitle B—Child Development Study

Findings in pediatric research not only promote and maintain health throughout a child's lifespan, but also contribute significantly to new insights and discoveries that will aid in the prevention and treatment of illnesses and conditions among adults. A growing body of evidence shows that risk factors for diseases such as coronary artery disease and stroke begin in childhood and persist through adulthood. Children are more vulnerable to physical, chemical, biological, safety, and psychosocial exposures than adults. Evidence-based policies and effective prevention and health promotion strategies to achieve a healthy and safe environment for children and families, are best derived from a federal multi-agency longitudinal study.

Authorizes NICHD to convene and direct a consortium of federal agencies, including CDC and EPA, to plan, develop and implement a prospective cohort study to evaluate the effects of both chronic and intermittent exposures on human development, and to investigate basic mechanisms of developmental disorders and environmental factors, both risk and protective, that influence growth and development processes. The study will incorporate behavioral, emotional, educational, and contextual consequences to enable a complete assessment of the physical, chemical, biological and psychosocial environmental influences on children's well-being.

The study shall include diverse populations, before birth, to gather data on environmental influences and outcomes until at least age 21, and shall consider health disparities.

Subtitle D—Research on Rare Diseases

This Provision would require the NIH Director to report to Congress within 180 days of enactment regarding activities conducted and supported by the NIH during Fiscal Year 2000 with respect to rare diseases in children and the activities that are planned to be conducted and supported by the NIH with respect to such diseases during the Fiscal Years 2001 through 2005.

Subtitle E—GME in Children's Hospitals

The health of the nation's children depends upon a steady supply of well-trained pediatricians and pediatric specialists. Independent children's hospitals train about half of all pediatric specialists, and 30 percent of pediatricians. Graduate medical education (GME) activities have historically been supported by Medicare, but, because these hospitals serve very few Medicare patients, they receive very little financial support for this important and costly activity. Children's hospitals are an important resource for all children. The training, pediatric research, and primary and specialty care services that occur in these facilities should be preserved and strengthened. Unfortunately, however, many of these hospitals are struggling to maintain their missions. Last year, a new program was authorized to provide discretionary support for pediatric GME activities in free-standing children's hospitals. This provision extends the authorization to 2005.

Mr. JEFFORDS. Mr. President, it gives me great pleasure to join my colleagues today in introducing the Children's Health Act of 2000. This bill authorizes a variety of programs and initiatives that promise to significantly improve the health of children in this nation. I want to commend Senators FRIST, KENNEDY, DODD, GREGG, DEWINE, REED, BOND, GORTON, ABRAHAM, and DURBIN for their work and commitment to protecting and improving the health of our children.

This bill takes a multifaceted approach in addressing the most pressing healthcare problems facing our children today, such as brain injury, birth defects, asthma, and obesity. The bill

authorizes prevention programs, educational programs, clinical research, and direct clinical care services. It also enhances the training and knowledge base of pediatric healthcare researchers through training and loan repayment programs. In the face of so many dangerous diseases and conditions, the holistic approach taken by this bill offers the best hope for protecting and improving our children's health.

This bill provides funding for critical research on children's heath. The Pediatric Research Initiative, based in the National Institutes of Health, will lay the foundation for comprehensive, cross cutting pediatric biomedical research. Such a center has the potential to yield valuable new information on child growth and development.

The Child Development Study, a long term study of environmental influences on children's health, will also yield important insights into the environmental factors that influence the growth and development of our children. This understanding will play a critical role in shaping future policy and programs for children's health. This research, in addition to other research opportunities provided in this bill promises to significantly improve our ability to protect the health of our children.

In addition to research, this bill provides resources for care and prevention programs. For example, this bill authorizes aggressive programs to prevent and treat one of the most challenging childhood health problems, traumatic brain injury. The Centers for Disease Control and Prevention is directed to conduct research on prevention and to implement public education and information programs. The Health Research and Services Administration is authorized to fund community support services to develop support or enhance care systems for individuals with brain injuries. These programs, coupled with research at NIH, address both the causes and the consequences of traumatic brain injury.

This bill authorizes the creation of a National Center for Birth Defects and Developmental Disabilities to collect, analyze, and distribute data on birth defects. This provision will allow for important data to be developed to guide the development of programs and policies to assist children and families coping with disabilities. Having worked for many years to improve the quality of life of people living with disabilities, I strongly support this effort to address the challenges of disabilities at the earliest age possible. This center will help to coordinate and focus our approach, and serve as a clearinghouse for information that will improve both healthcare and quality of life for children with disabilities.

By targeting asthma, the most common chronic disease of childhood, this bill will make a difference in the lives of thousands of children and young people who suffer with this disease across the nation. Asthma jumped by 75 percent in the general population between 1980 and 1994. Among children under four there was a rise of 160 percent. It is estimated that this condition debilitates about 33,000 Vermonters (22,000 adults and 11,000 children). Grant programs authorized under this bill will fund comprehensive asthma services, mobile health care clinics, and patient and family education to reduce the impact of this dangerous disease. As this disease continues to strike more and more of our youth, it is critical that programs to reduce asthma have priority.

Oral health is also improved under this legislation, which targets the disparities in access to dental care and preventive therapies among poor children. In addition to direct care services, this provision enhances community based research and training to improve our knowledge of effective clinical and preventive measures. With 20 percent of children experiencing 80 percent of the dental cavities, it is time we focus on this neglected population and make a difference in their health.

An investment in the health of the nation's children will undoubtedly have long term rewards, as we move our understanding of and ability to treat childhood diseases far beyond current capabilities. Clearly, the time has come to comprehensively and aggressively tackle the primary causes of poor health for our children. I strongly support this legislation. The health of the nation rests on the health of our children, and we must do all we can to prevent and treat diseases that strike at the most vulnerable members of society.

Mr. KENNEDY. Mr. President, it is a privilege to join Senator FRIST and our other colleagues in introducing the Children's Public Health Act of 2000. This bipartisan legislation will help millions of children in the years ahead. It takes needed action to improve children's health by expanding pediatric research and calling for specific steps to deal with a wide range of childhood illness, disorders, and injuries. Coordinated action in these areas can lead to significant benefits for all children.

Senator FRIST and I have worked closely with many of our Democratic and Republican colleagues on this legislation. We have talked with experts and advocates in the children's health community. We believe this legislation will lead to significant progress in addressing some of today's most pressing pediatric public health problems.

The legislation includes a variety of new and reauthorized children's health provisions that are organized under four broad categories—injury prevention, maternal and infant health promotion, public health promotion, and research.

Traumatic brain injury is the leading cause of death and disability in young Americans. The Centers for Disease Control and Prevention has estimated that 5.3 million Americans are living with long-term, severe disability as a result of brain injuries, and each year 50,000 people die as a result of such injuries. The Children's Public Health Act revises and extends the authorization for the important programs enacted in 1996 to deal with these injuries. This reauthorization will assure continued progress toward our understanding, treating and preventing them.

Improving and protecting the safety of child care environments should also be a high priority for Congress. This legislation creates a new program to improve the safety of children in child care settings, and to encourage child care providers to take steps to prevent illness and injuries and protect the health of the children they serve.

In addition, this legislation includes programs to improve the health of pregnant women and prenatal outcomes, including prevention of birth defects and low birth weight. It establishes a new Center for Birth Defects and Developmental Disabilities at the Centers for Disease Control and Prevention in order to focus the nation's activities more effectively in these important areas. The new center will be especially helpful for children and families affected by these conditions.

The bill also takes a number of steps to address other prevalent childhood conditions. Asthma is the most common chronic childhood illness, affecting more than seven percent of all American children. The death rate for children with asthma increased by 78 percent between 1980 and 1993, and asthma-related costs total nearly $2 billion annually in direct health care for children. The nation is handicapped by a lack of basic information on where and how asthma strikes, what triggers it, and how effectively our current health care system is responding to those who suffer from this chronic disease. Our bill will provide greater asthma services to children, including mobile clinics, and patent and family education, and it will help to reduce allergens in housing and public facilities.

Poor nutrition and lack of physical activity are also hurting many American children and contributing to lifelong health problems. The nation spends $39 billion a year—equal to six percent of overall U.S. health care expenditures—on direct health care related to obesity. Twenty percent of American children—one in five—are overweight. Unhealthy eating habits and physical inactivity in childhood can lead to heart disease, cancer and other serious illnesses decades later. Children and adolescents who suffer from eating disorders, such as anorexia nervosa and bulimia, can have wide-

ranging physical and mental health impairments. Our legislation establishes new grant programs to reduce childhood obesity and earing disorders, promote better nutritional habits among children, and encourage an appropriate level of physical activity for children and adolescents.

Last May, the Surgeon General published a landmark report on oral health in America, emphasizing the need to consider oral health as an essential part of total health. There is no question that oral and dental health care should be included in our primary care. Tooth decay is the most common childhood infectious disease, and it can lead to devastating consequences, including problems with eating, learning and speech. Twenty-five percent of children in the United States suffer 80 percent of the tooth decay, with significant racial and age disparities. The number of dentists in the country has been declining since 1990, and is projected to continue to decline through the year 2020.

According to a 1995 report by the Inspector General, only one in five Medicaid-eligible children receive dental services annually, and the shortage of dentists exacerbates the problem of unmet needs. Yet tooth decay is largely preventable. More effective efforts to educate parents and children about the causes of tooth decay, and initiatives to prevent and treat it can lead to lasting public health improvements. Our legislation includes a variety of approaches to deal with this silent epidemic.

Research has long shown that childhood lead poisoning can have devastating effects on children, causing reduced IQ and attention span, stunted growth, behavior problems, and reading and learning disabilities. Yet too children remain unscreened and untreated, and adequate services often are not available for children with elevated levels of lead in their blood. There is no excuse for not taking greater steps to eliminate childhood lead poisoning. Our bill includes screening for early detection and treatment, professional education and training programs, and outreach and education activities for at-risk children.

Pediatic research discoveries promote and maintain health throughout a child's life span, and also contribute significantly to new insights that aid in the prevention and treatment of illnesses and conditions among adults. A growing body of evidence shows that risk factors for conditions such as coronary artery disease and stroke begin in childhood and persist through adulthood. Congress has a strong history of promoting basis and clinical research, and the steps taken in this legislation continue that priority.

The legislation establishes a pediatric research initiative, authorized at $50 million annually, that will increase support for pediatric biomedical research at the National Institutes of Health, including an increase in collaborative efforts among multidisciplinary fields in areas that are promising for children. The legislation also requires coordination with the Food and Drug Administration to increase the number of pediatric clinical trails, and to provide greater information on safer and more effective use of prescription drugs in children.

Children have unique health care needs. They are not simply small adults. Nothing is more important to the future health of America's children than maintaining a steady supply of pediatricians, pediatric specialists and pediatric-focused scientists.

Our legislation takes two important steps to improve the growth and development of a pediatric-focused medical community. First, it enhances support by the National Institute for Child Health and Human Development expressly for training and career development activities of pediatric researchers, and it establishes a loan repayment program for pediatricians who conduct research.

Second, it extends the authorization of a new program that supports graduate medical education activities at independent children's hospitals. These hospitals train half of all pediatric specialists, and 30 percent of all pediatricians. However, because GME activities have historically been supported by Medicare and because these hospitals serve very few Medicare patients, they receive very little financial support for this important and costly activity. As a result, children's hospitals are struggling to maintain the important training, pediatric research, and primary and specialty care services that they provide. Children's hospitals should be treated like all other teaching hospitals when it comes to support for their GME activities. I have sponsored another legislative proposal to guarantee full funding each year, without being subject to the appropriations process. That proposal is awaiting consideration in the Finance Committee. Until it is enacted, we owe it to America's children to invest in their future health care by improving our support for pediatric GME activities.

The bill also authorizes a new study to monitor and evaluate development of children through adulthood. The kind of information that will be obtained by this study is long-overdue. Children are more vulnerable to physical, chemical, biological, and other risks than adults, and we must make a major commitment to learning more about the influences and effects of the environment.

Finally, this legislation also includes a program to address the unique needs of children with autism and related disorders. I look forward to working with Chairman FRIST, members of the Committee and others to assure that the needs of children with Fragile X are met in the final legislation.

This legislation deserves to be a major public health priority for the nation. Congress should send the President a strong bill on these issues before the end of this year.

Mr. DEWINE. Mr. President, I rise today as a co-author of the ''Children's Public Health Act of 2000.'' The sad fact is that far too many children never realize success as adults or even reach adulthood because of debilitating or life-threatening disease. That is why we must build a health care system that is responsive to the unique needs of children. The ''Children's Public Health Act of 2000'' is a big step in the right direction, and I commend my colleagues, Senators FRIST, JEFFORDS, and KENNEDY for their efforts to construct a bill that can really make a positive difference in the health and the lives of children.

Mr. President, I am especially pleased that the ''Children's Public Health Act'' contains several important initiatives that my colleagues and I had already introduced as separate bills. One such initiative—the Pediatric Research Initiative—would help ensure that more of the increased research funding at the National Institutes of Health (NIH) is invested specifically in children's health research.

While children represent close to 30 percent of the population of this country, NIH devotes only about 12 percent of its budget to children, and, in recent years, that proportion has been declining even further. We must reverse this disturbing trend. It simply makes no sense to conduct health research for adults and hope that those findings also will apply to children. A ''one-size-fits-all'' research approach just doesn't work. The fact is that children have medical conditions and health care needs that differ significantly from adults. Children's health deserves more attention from the research community. That's why the Pediatric Research Initiative is such an important part of the ''Children's Public Health Act.'' It would provide the federal support for pediatric research that is so vital to ensuring that children receive the appropriate and best health care possible.

The Pediatric Research Initiative would authorize $50 million annually for the next five years for the Office of the Director of NIH to conduct, coordinate, support, develop, and recognize pediatric research. By doing so, we will be able to ensure that researchers target and study child-specific diseases. With more than 20 Institutes and Centers and Offices within NIH that conduct, support, or develop pediatric research in some way, this investment would promote greater coordination and focus in children's health research and should encourage new initiatives and areas of research.

The ''Children's Public Health Act'' also would authorize funding through the National Institutes of Child Health and Human Development (NICHD)—for pediatric research training grants to support training for additional pediatric research scientists and would provide funding for loan forgiveness programs. Trained researchers are essential if we are to make significant advances in the study of pediatric health care, especially in light of the new and improved Food and Drug Administration (FDA) policies that encourage the testing of medications for use by children.

Additionally, the ''Children's Public Health Act'' includes the ''Children's Asthma Relief Act,'' which Senator DURBIN and I introduced last year. The sad reality for children is that asthma is becoming a far too common and chronic childhood illness. From 1979 to 1992, the hospitalization rates among children due to asthma increased 74 percent. Today, estimates show that more than seven percent of children now suffer from asthma. Nationwide, the most substantial prevalence rate increase for asthma occurred among children aged four and younger. Those four and younger also were hospitalized at the highest rate among all individuals with asthma.

According to 1998 data from the Centers for Disease Control (CDC), my home state of Ohio ranks about 17th in the estimated prevalence rates for asthma. Based on a 1994 CDC National Health Interview Survey, an estimated 197,226 children under 18 years of age in Ohio suffer from asthma. This is a serious health concern among children—and we must address it.

The ''Children's Public Health Act'' would help ensure that children with asthma receive the care they need to live healthy lives. The bill would authorize $50 million annually for five years for the Secretary of Health and Human Services (HHS) to award grants to eligible entities to develop and expand projects that would provide asthma services to children. These grants also may be used to equip mobile health care clinics that provide asthma diagnosis and asthma-related health care services; educate families on asthma management; and identify and enroll uninsured children who are eligible for, but are not receiving health coverage under Medicaid or the State Children's Health Insurance Program (SCHIP). The ability to identify and enroll children in these programs will ensure that children with asthma receive the care they need.

Since research shows that children living in urban areas suffer from asthma at such alarming rates and that allergens, such as cockroach waste, contribute to the onset of asthma, this bill also adds urban cockroach management to the current preventive health services block grant which currently can be used for rodent control.

To better coordinate federal activities related to asthma, the Secretary of HHS would be required to identify all federal programs that carry out asthma research and develop a federal plan for responding to asthma. To better monitor the prevalence of pediatric asthma and to determine which areas have the greatest incidences of children with asthma, this bill would require the CDC to conduct local asthma surveillance activities to collect data on the prevalence and severity of asthma and to publish data annually on the prevalence rates of asthma among children and on the childhood mortality rate. This surveillance data will help us better detect asthmatic conditions, so that we can treat more children and ensure that we are targeting our resources in an effective and efficient way to reverse the disturbing trend in the hospitalization and death rates of asthmatic children.

Finally, Mr. President, the bill we are introducing today includes language that I strongly support to re-authorize funding for children's hospitals' Graduate Medical Education (GME) programs for four additional years. Last year, as part of the ''Health Care Research and Quality Act,'' which was signed into law, we authorized funding for two years for children's hospitals' GME programs. The teaching mission of these hospitals is essential. Children's hospitals comprise less than one percent of all hospitals, yet they train five percent of all physicians, nearly 30 percent of all pediatricians, and almost 50 percent of all pediatric specialists. By providing our nation with highly qualified pediatricians, children's hospitals can offer children the best possible care and offer parents peace of mind. They serve as the health care safety net for low-income children in their respective communities and are often the sole regional providers of many critical pediatric services. These institutions also serve as centers of excellence for very sick children across the nation. Federal funding for GME in children's hospitals is a sound investment in children's health and provides stability for the future of the pediatric workforce.

Mr. President, as the father of eight children and the grandfather of five, I firmly believe that we must move forward to protect the interests—and especially the health—of all children. The ''Children's Public Health Act of 2000'' makes crucial investments in our country's future—investments that will yield great returns. If we focus on improving health care for all children today, we will have a generation of healthy adults tomorrow.

I urge my colleagues to support this vital children's health care bill.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. HUTCHINSON, Mr. DASCHLE, Mr. BENNETT, Mr. LIEBERMAN, and Mr. SCHUMER):

S. 2869. A bill to protect religious liberty, and for other purposes; read the first time.

RELIGIOUS LAND USE AND INSTITUTIONALIZED PERSONS ACT OF 2000

Mr. HATCH. Mr. President, I rise today to introduce a narrowly focused bill that protects religious liberty from unnecessary governmental interference. It will provide protection for houses of worship and other religious assemblies from restrictive land use regulation that often prevents the practice of faith. This legislation also allows institutionalized persons to exercise their religion to the extent that it does not undermine the security, discipline, and order of their institutions.

Seven years ago, recognizing the need to strengthen the fundamental right of religious liberty, Congress overwhelmingly passed the Religious Freedom Restoration Act (RFRA). Unfortunately, in 1997, in the case of City of Boerne v. Flores, the Supreme Court held that Congress lacked the authority to enact RFRA as applied to state and local governments. In an attempt to respond to the Boerne decision, I introduced S. 2081 earlier this year. Legislation similar to S. 2081 passed the House of Representatives. Yet, concerns were raised by some regarding the scope of S. 2081, and I undertook an effort to seek out a consensus approach. The legislation I am introducing today, which maintains certain provisions of S. 2081, is a tailored version which represents the product of our efforts.

The Religious Land Use and Institutionalized Persons Act of 2000 provides limited federal remedies for violations of religious liberty in: (1) the land use regulation of churches and synagogues; and (2) prisons and mental hospitals.

LAND USE REGULATION

At the core of religious freedom is the ability for assemblies to gather and worship together. Finding a location to do so, however, can be quite difficult when faced with pervasive land use regulations. As was seen during congressional hearings in both the House and Senate, land use regulations, either by design or neutral application, often prevent religious assemblies and institutions from obtaining access to a place of worship. Under current law, an assembly whose religious practice is burdened by an otherwise ''generally applicable'' and ''neutral'' law can obtain relief only by carrying the heavy burden of proving that there is an unconstitutional motivation behind a law, and thus, that it is not truly neutral or generally applicable. Such a standard places a seemingly insurmountable barrier between the religious assemblies of our country and their right to worship freely.

An example of this was seen recently when a city refused to allow the LDS Church to construct a temple simply because it was not in the ''aesthetic''

interests of the community as set forth in a ''generally applicable'' statute. Another example includes an effort to suspend the operation of a religious mission for the homeless operated by the late Mother Teresa's order because it was located on the second floor of a building without an elevator.

The land use section of the bill prohibits discrimination against religious assemblies and institutions, and prohibits the total exclusion of religious assemblies from a jurisdiction. The section also prohibits unreasonable limits on religious assemblies and institutions and requires that land use regulations that substantially burden the exercise of religion be justified by a compelling governmental interest.

It is important to note that this legislation does not provide a religious assembly with immunity from zoning regulation. If the religious claimant cannot demonstrate that the regulation places a substantial burden on sincere religious exercise, then the claim fails without further consideration. If the claimant is successful in demonstrating a substantial burden, the government will still prevail if it can show that the burden is an unavoidable result of its pursuit of a compelling governmental objective.

INSTITUTIONALIZED PERSONS

Our bill also provides that substantial burdens on the religious exercise of institutionalized persons must be justified by a compelling interest. Congressional witnesses have testified that institutionalized persons have been prevented from practicing their faith. For example, some Jewish prisoners have been denied matzo, the unleavened bread Jews are required to consume during Passover, even though Jewish organizations have offered to provide it to inmates at no cost to the government. While this legislation seeks to improve the ability of institutionalized persons to practice their religion, it remains under the complete application of the Prison Litigation Reform Act of 1995.

Both sections are based firmly on constitutional principles that grant Congress its authority. Thus, today's legislation should withstand the scrutiny that has thwarted our efforts in the past.

As we begin in this effort, it is worth pondering just why America is, worldwide, the most successful multi-faith country in all recorded history. The answer is to be found, I submit, in both components of the phase ''religious liberty.'' Surely, it is because of our Constitution's zealous protection of liberty that so many religions have flourished and so many faiths have worshiped on our soil.

Our country has achieved its greatness because, with its respectful distance from our private lives, our government has allowed all its citizens their own forms of ''internal governance,'' that is, those religious and moral tenets that make a free society possible. Our country has allowed people to answer for themselves, and without interference, those questions that are most fundamental to humankind. And it is in the way that religion informs our answers to these questions, that we not only survive, but thrive as human beings.

While this bill provides much needed preservation of our religious liberty, I personally would have preferred a broader approach. I recognize, however, in this shortened legislative year, the long list of items before the congressional leadership that require their attention. In order to ensure enactment of a measure this year, I think all advocates of a broader approach took a prudent step in embracing a more targeted, consensus bill.

With the help of Senator KENNEDY, Congressman CANADY, and others, I hope this legislation will move swiftly through the Congress. We look forward to welcoming others to our modest, yet important, effort to enact this legislation.

Mr. KENNEDY. Religious freedom is a bedrock principle in our nation. The bill we are introducing today reflects our commitment to protect religious freedom and our belief that Congress still has the power to enact legislation to enhance that freedom, even after the Supreme Court's decision in 1997 to strike down the broader Religious Freedom Restoration Act that 97 Senators joined in passing in 1993.

In striking down the Religious Freedom Restoration Act on constitutional grounds, the Court clearly made the task of passing effective legislation to protect religious liberties more difficult. But too often in our society today, thoughtless and insensitive actions by governments at every level interferes with individual religious freedoms, even though no valid public purpose is served by the governmental action.

Our goal in proposing this legislation is to reach a reasonable and constitutionally sound balance between respecting the compelling interests of government and protecting the ability of people freely to exercise their religion. We believe that the legislation being introduced today accomplishes this goal in two areas where infringement of this right has frequently occurred—the application of land use laws, and treatment of persons who are institutionalized. In both of these areas, our bill will protect the Constitutional right to worship, free from unnecessary government interference.

After numerous Congressional hearings on religious liberties, the evidence is clear that local land use laws often have the discriminatory effect of burdening the free exercise of religion. It is also clear that institutionalized persons are often unreasonably denied the opportunity to practice their religion, even when their observance would not undermine discipline, order, or safety in the facilities.

Relying upon the findings from Congressional hearings, we have developed a bill—based upon well-established constitutional authority—that will protect the free exercise of religion in these two important areas. Our bill has the support of the Free Exercise Coalition, which represents over 50 diverse and respected groups, including the Family Research Council, Christian Legal Society, American Civil Liberties Union, and People for the American Way. The bill also has the endorsement of the Leadership Conference for Civil Rights.

The broad support that this bill enjoys among religious groups and the civil rights community is the result of many months of difficult, but important negotiations. We carefully considered ways to strengthen religious liberties in other ways in the wake of the Supreme Court's decision. We were mindful of not undermining existing laws intended to protect other important civil rights and civil liberties. It would have been counterproductive if this effort to protect religious liberties led to confrontation and conflict between the civil rights community and the religious community, or to a further court decision striking down the new law. We believe that our bill succeeds in avoiding these difficulties by addressing the most obvious threats to religious liberty and by leaving open the question of what future Congressional action, if any, will be needed to protect religious freedom in America.

The land use provision covers regulations defined as ''zoning and landmarking'' laws. Under this provision, if a zoning or landmarking law substantially burdens a person's free exercise of religion, the government involved must demonstrate that the particular law is the least restrictive means of furthering a compelling governmental interest. This provision is based upon the constitutional authority of Congress under Section 5 of the 14th Amendment, as well as the Commerce and Spending powers of Congress. The institutionalized persons section applies the strict scrutiny standard to cases in which the free exercise rights of such persons are substantially burdened. This provision is based upon Congress's constitutional authority under the Spending and Commerce powers.

Applying a strict scrutiny standard to prison regulations would not lead, as some have suggested, to a flood of frivolous lawsuits by prisoners, and it will not undermine safety, order, or discipline in correctional facilities. Arguments opposing this provision have been made in the past, but they were based on speculation. Now, the arguments can be proven demonstrably false by the facts.

Since the Religious Freedom Restoration Act was enacted in 1993, strict scrutiny has been the applicable standard in religious liberties case brought by inmates in federal prisons. Yet, according to the Department of Justice, among the 96 federally run facilities, housing over 140,000 inmates, less than 75 cases have ever been brought under the Act—most of which have never gone to trial. On average, over seven years, that's less than 1 case in each federal facility. It's hardly a flood of litigation or a reason to deny this protection to prisoners.

Following the enactment of the 1993 Act, Congress also passed the Prison Litigation Reform Act, which includes a number of procedural rules to limit frivolous prisoner litigation. Those procedural rules will apply in cases brought under the bill we are introducing today. Based upon these protections and the data on prison litigation, it is clear that this provision in our bill will not lead to a flood of frivolous lawsuits or threaten the safety, order, or discipline in correctional facilities. Sincere faith and worship can be an indispensable part of rehabilitation, and these protections should be an important part of that process.

In sum, our bill is an important step forward in protecting religious liberty in America. It reflects the Senate's long tradition of bipartisan support for the Constitution and the nation's fundamental freedoms, and I urge the Senate to approve it.

EXAMPLES OF LAND USE RESTRICTIONS ON RELIGIOUS LIBERTY

In February 2000, a city official in Portland, Oregon ordered a local United Methodist Church to limit attendance at its services to 70 worshipers and shut down a meals program for the homeless and the working poor that the church had been operating for sixteen years. The church can hold up to 500 persons. The land use official announced that her job was ''quasi-judicial,'' and that ''she was not required to explain decisions.'' After a public outcry, the Portland City Council unanimously rejected the attendance cap and voted to allow church programs to continue, contingent on an agreement being reached among neighbors, neighborhood businesses and the city about the management of the church programs. (''Church ordered to limit attendance,'' Washington Times, February 18, 2000: ''Church wins on attendance,'' The Oregonian, March 2, 2000).

Officials in Arapahoe County, Colorado imposed numerical limits on the number of students who could enroll in religious schools and on the size of congregations of various churches, as a way of limiting their growth. These limits directly conflicted with the mission of evangelical churches, whose fundamental goal is to attract new believers.

In Douglas County, Colorado, administrative officials proposed limiting the operational hours of a church in much the same way as they limit commercial facilities. As Mark Chopko noted in his Congressional testimony, limiting a church's operational hours means that a church may not lawfully engage in certain acts of service and devotion or overnight spiritual retreats. (Testimony of Mark Chopko before the House Subcommittee on the Constitution, March 26, 1998).

Congregation Etz Chaim, an Orthodox Jewish congregation in Los Angeles, was meeting in a rented house, or ''shul'', in Hancock Park, a residential zone. The rabbi of the congregation, Chaim Baruch Rubin, testified that ten to fifteen men would typically visit the house for daily meetings, and forty or fifty people (many elderly and disabled) would attend on the Sabbath or holidays to engage in quiet prayer and study. Orthodox Jews must walk to services on the Sabbath and on most holidays, because their religion does not permit them to use mechanical modes of transportation on those days. When neighbors complained about the effect on property values, the congregation requested a special use permit from the City Council to remain in the residential zone. The Council unanimously rejected the request, putting the neighborhood effectively off-limits for Orthodox Jews. The same Council, however, allowed other places of assembly in Hancock Park, including schools, book clubs, recreational uses and embassy parties. Rabbi Rubin testified that 84,000 cars traveled through this part of the neighborhood daily, and yet somehow the Council deemed a prayer meeting of a few who traveled by foot as harmful to the neighborhood. Rabbi Rubin concluded his testimony by stating, what do I tell my congregants—what do I tell an 84 year old survivor of Auschwitz, a man who used to risk his life in the concentration camp whenever possible to gather together to pray? (Testimony of Rabbi Chaim Baruch Rubin before the House Subcommittee on the Constitution, February 26, 1998).

In the process of creating a new zoning plan covering development in the city, the City of Forest Hills, Tennessee set up an ''educational and religious zone'' called an ''ER'' for schools and churches, but limited that designation to schools and churches that already existed within the city. No other land was zoned ''ER'' under the plan, so no other property was available for the construction of a new religious building. The City also established strict requirements for changing any zone. The Church of Jesus Christ of Latter-day Saints determined a need for a temple in Forest Hills, and sought a zone change for property that it owned within city limits. Forest Hills rejected the church's request. The church then bought another piece of property that had previously been home to a church. Churches of other denominations were nearby. Forest Hills nevertheless rejected the church's second request citing concern about traffic, and a court upheld this determination, effectively precluding Mormons from temple worship within city limits. (Testimony of Von G. Keetch before the House Subcommittee on the Constitution, March 26, 1998; Report of the House Judiciary Committee on the Religious Liberty Protection Act of 1999, 106th Congress).

In 1997, the City of Richmond passed an ordinance which required places of worship wishing to feed more than thirty hungry and homeless people to apply for a conditional use permit at a cost of $1,000, plus $100 dollars per acre of affected property. The ordinance regulated only places of worship, not other institutions, and only eating by persons who are hungry and homeless. The ordinance also limited to seven days, and to the period between October 1 and April 1, the times when places of worship may feed the hungry and homeless. The City had complete discretion over the granting of conditional use permits based on its assessment of a number of subjective factors. The Rev. Patrick Wilson of Richmond, Virginia stated in his testimony: ''A $1,000 fee is beyond the means of most churches, which operate with memberships of less than 100 persons and is therefore prohibitive. Imagine that—a statutorily imposed fee for the exercise of a basic and fundamental tenet of the Christian faith! . . . Health and safety issues can be and are addressed in less odious ways.'' (Testimony of Rev. Patrick J. Wilson III before the House Subcommittee on the Constitution, February 26, 1998; Preliminary and Jurisdictional Statement in Trinity Baptist Church v. City of Richmond, (E.D.Va. filed August 20, 1997.)

Twenty-two of the twenty-nine zoning codes in the northern suburbs of Chicago effectively exclude churches, unless they have a special use permit. Zoning authorities hold almost wholly discretionary power over whether a house of worship may locate in these areas. John Mauck, a Chicago attorney who serves many churches in this area, handled the case of a church, His Word Ministries to All Nations, interested in buying property after it outgrew its space in the basement of a home. When it sought a special use permit in 1992, an alderman delayed the request three times, resulting in months of delay in the purchase of the building. After the third postponement of the hearing, the alderman had the church's property rezoned as a manufacturing district. Because churches cannot locate in a manufacturing district, the church was forced to withdraw its application for special use after paying filing, attorney and appraiser fees. The church spent

approximately $5,000 and wasted an entire year seeking the special use permit. (Testimony of John Mauck before the House Subcommittee on the Constitution, March 26, 1998; Affidavit of Virginia Kantor in Civil Liberties for Urban Believers v. City of Chicago (N.D. Ill. 1994); Testimony of Douglas Laycock before the House Subcommittee on the Constitution, July 14, 1998).

In his testimony, Marc Stern stated that orthodox synagogues are often required to have a specific number of parking spaces, based on the number of seats in the sanctuary—even though the sanctuary will be filled with worshipers who do not drive. (Testimony of Marc Stern before the House Subcommittee on the Constitution, March 26, 1998).

Chicago attorney John Mauck testified about several cases of racially motivated opposition to black churches, and about a case in which the mayor told his city manager that they didn't want Hispanics in the town. He also testified about other statements of bigotry. Marc Stern testified about a case in which a small congregation sought permission to convert a private home into a small synagogue. One council member considering the converted use ''warned that if the application was granted, this nearly all white suburb would begin to resemble an adjoining city which was largely minority and full of storefront churches.'' (Testimony of John Mauck before the House Subcommittee on the Constitution, March 26, 1998; Testimony of Douglas Laycock before the House Subcommittee on the Constitution, July 14, 1998; Testimony of Marc Stern before the House Subcommittee on the Constitution, March 26, 1998).

ADDITIONAL COSPONSORS

S. 818

At the request of Mr. DEWINE, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 818, a bill to require the Secretary of Health and Human Services to conduct a study of the mortality and adverse outcome rates of medicare patients related to the provision of anesthesia services.

S. 922

At the request of Mr. ABRAHAM, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 922, a bill to prohibit the use of the ''Made in the USA'' label on products of the Commonwealth of the Northern Mariana Islands and to deny such products duty-free and quota-free treatment.

S. 1200

At the request of Ms. SNOWE, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 1200, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 2023

At the request of Mr. KENNEDY, his name was added as a cosponsor of S. 2023, a bill to provide for the establishment of Individual Development Accounts (IDAs) that will allow individuals and families with limited means an opportunity to accumulate assets, to access education, to own their own homes and businesses, and ultimately to achieve economic self-sufficiency, and for other purposes.

S. 2084

At the request of Mr. LUGAR, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2084, a bill to amend the Internal Revenue Code of 1986 to increase the amount of the charitable deduction allowable for contributions of food inventory, and for other purposes.

S. 2106

At the request of Mr. ASHCROFT, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 2106, a bill to increase internationally the exchange and availability of information regarding biotechnology and to coordinate a federal strategy in order to advance the benefits of biotechnology, particularly in agriculture.

S. 2217

At the request of Mr. ABRAHAM, the names of the Senator from Hawaii (Mr. AKAKA), the Senator from Missouri (Mr. ASHCROFT), the Senator from Montana (Mr. BAUCUS), the Senator from Kentucky (Mr. BUNNING), the Senator from Louisiana (Mr. BREAUX), the Senator from Nevada (Mr. BRYAN), the Senator from Ohio (Mr. DEWINE), the Senator from Connecticut (Mr. DODD), the Senator from California (Mrs. FEINSTEIN), the Senator from Florida (Mr. GRAHAM), the Senator from Iowa (Mr. GRASSLEY), the Senator from New Hampshire (Mr. GREGG), the Senator from North Carolina (Mr. HELMS), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Oklahoma (Mr. INHOFE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Kentucky (Mr. MCCONNELL), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Washington (Mrs. MURRAY), the Senator from New Hampshire (Mr. SMITH), the Senator from South Carolina (Mr. THURMOND), and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of S. 2217, a bill to require the Secretary of the Treasury to mint coins in commemoration of the National Museum of the American Indian of the Smithsonian Institution, and for other purposes.

S. 2299

At the request of Mr. L. CHAFEE, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 2299, a bill to amend title XIX of the Social Security Act to continue State Medicaid disproportionate share hospital (DSH) allotments for fiscal year 2001 at the levels for fiscal year 2000.

S. 2463

At the request of Mr. FEINGOLD, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2463, a bill to institute a moratorium on the imposition of the death penalty at the Federal and State level until a National Commission on the Death Penalty studies its use and policies ensuring justice, fairness, and due process are implemented.

S. 2504

At the request of Mr. CRAIG, the name of the Senator from Georgia (Mr. COVERDELL) was added as a cosponsor of S. 2504, a bill to amend title VI of the Clean Air Act with respect to the phaseout schedule for methyl bromide.

S. 2615

At the request of Mr. KENNEDY, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 2615, a bill to establish a program to promote child literacy by making books available through early learning and other child care programs, and for other purposes.

S. 2698

At the request of Mr. MOYNIHAN, the name of the Senator from North Dakota (Mr. CONRAD) was added as a cosponsor of S. 2698, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

S. 2700

At the request of Mr. L. CHAFEE, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 2700, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to promote the cleanup and reuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, and for other purposes.

S. 2703

At the request of Mr. AKAKA, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2703, a bill to amend the provisions of title 39, United States Code, relating to the manner in which pay policies and schedules and fringe benefit programs for postmasters are established.

S. 2725

At the request of Mr. SMITH of New Hampshire, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 2725, a bill to provide for a system of sanctuaries for chimpanzees that have been designated as being no longer needed in research conducted or supported by the Public Health Service, and for other purposes.

S. 2739

At the request of Mr. LAUTENBERG, the names of the Senator from Louisiana (Mr. BREAUX) and the Senator from Maine (Ms. SNOWE) were added as cosponsors of S. 2739, a bill to amend title 39, United States Code, to provide for the issuance of a semipostal stamp in order to afford the public a convenient way to contribute to funding for the establishment of the World War II Memorial.

S. 2769

At the request of Mr. LEAHY, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of S. 2769, a bill to authorize funding for National Instant Criminal Background Check System improvements.

S. 2787

At the request of Mr. BIDEN, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2787, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 2807

At the request of Mr. FRIST, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 2807, a bill to amend the Social Security Act to establish a Medicare Prescription Drug and Supplemental Benefit Program and to stabilize and improve the Medicare+Choice program, and for other purposes.

S. 2815

At the request of Mr. CLELAND, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 2815, a bill to provide for the nationwide designation of 2–1–1 as a toll-free telephone number for access to information and referrals on human services, to encourage the deployment of the toll-free telephone number, and for other purposes.

S. 2851

At the request of Mr. CLELAND, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 2851, a bill to require certain information from the President before certain deployments of the Armed Forces, and for other purposes.

S.CON.RES. 2

At the request of Mr. DURBIN, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S.Con.Res. 2, a concurrent resolution recommending the integration of Lithuania, Latvia, and Estonia into the North Atlantic Treaty Organization (NATO).

S.CON.RES. 111

At the request of Mr. NICKLES, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S.Con.Res. 111, a concurrent resolution expressing the sense of the Congress regarding ensuring a competitive North American market for softwood lumber.

S.RES. 294

At the request of Mr. ABRAHAM, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S.Res. 294, a resolution designating the month of October 2000 as ''Children's Internet Safety Month''.

S.RES. 301

At the request of Mr. THURMOND, the names of the Senator from Kentucky (Mr. BUNNING), the Senator from Idaho (Mr. CRAPO), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Wisconsin (Mr. KOHL), the Senator from New Mexico (Mr. BINGAMAN), the Senator from New Hampshire (Mr. SMITH), and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S.Res. 301, a resolution designating August 16, 2000, as ''National Airborne Day''.

S.RES. 304

At the request of Mr. BIDEN, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S.Res. 304, a resolution expressing the sense of the Senate regarding the development of educational programs on veterans' contributions to the country and the designation of the week that includes Veterans Day as ''National Veterans Awareness Week'' for the presentation of such educational programs.

AMENDMENT NO. 3767

At the request of Mr. ASHCROFT, his name was added as a cosponsor of amendment No. 3767 proposed to S. 2549, an original bill to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 3794

At the request of Mr. ASHCROFT, his name was added as a cosponsor of amendment No. 3794 proposed to S. 2549, an original bill to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENT NO. 3817

At the request of Mr. GORTON, his name was added as a cosponsor of amendment No. 3817 proposed to S. 2549, an original bill to authorize appropriations for fiscal year 2001 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

SENATE RESOLUTION 335—CONGRATULATING THE PEOPLE OF MEXICO ON THE OCCASION OF THE DEMOCRATIC ELECTIONS HELD IN THAT COUNTRY

Mr. HELMS (for himself, Mr. LOTT, Mr. BIDEN, Mr. L. CHAFEE, Mr. DODD, Mr. LUGAR, Mr. COVERDELL, Mr. DOMENICI, Mr. LEAHY, Mr. GRASSLEY, Mr. BINGAMAN, Mr. GRAMM, Mr. MCCAIN, Mr. SMITH of New Hampshire, Mr. CRAIG, Mrs. FEINSTEIN, Mrs. BOXER, Mr. FEINGOLD, Mrs. HUTCHISON, Mr. ASHCROFT, Mr. FRIST, Mr. GRAMS, Mr. DEWINE, Mr. KYL, and Mr. BROWNBACK) submitted the following resolution; which was considered and agreed to:

S. RES. 335

Whereas the United States and Mexico share a border of more than 2,000 miles;

Whereas Mexico is the second largest trade partner of the United States, with a two-way trade of $174,000,000,000;

Whereas United States companies have invested more than $25,000,000,000 in Mexico from 1994–1999;

Whereas more than 20,000,000 people now in the United States are of Mexican descent, a fact that in and of itself forges profound and permanent cultural ties between our 2 countries;

Whereas the well-being and security of the United States and Mexico require governments willing and able to cooperate fully to confront common threats, including organized crime, corruption, and trafficking in illicit narcotics;

Whereas the people of Mexico have struggled for decades for a true representative democracy, accountability, and the rule of law and, in recent years, they have sought and obtained significant political and electoral reforms in pursuit of those objectives;

Whereas the Federal Electoral Institute and its regional councils, now genuinely independent and representative bodies, were responsible for organizing the federal elections on July 2, 2000, in which nearly 1,000,000 citizens participated directly in conducting the balloting for a new president, a new national congress, and state or local officials in Mexico City as well as 10 states;

Whereas the July 2nd elections were observed by approximately 2,500,000 domestic monitors and 850 foreign visitors, including delegations of the United States-based International Republican Institute for International Affairs and the National Democratic Institute;

Whereas in the July 2nd elections, Vicente Fox Quesada of the Alliance for Change (consisting of the National Action Party and the Mexican Green Party) was elected President of the United Mexican States, receiving 42.5 percent of the 37,600,000 votes cast, according to preliminary results released by the Federal Electoral Institute; and

Whereas, according to the Federal Electoral Institute and domestic and international observers, the July 2nd elections were unprecedented in their degree of fairness and transparency, forming the foundation for a genuinely democratic and pluralistic government that represents the will and sovereignty of the people of Mexico: Now, therefore, be it

Resolved,

SECTION 1. CONGRATULATING THE PEOPLE OF MEXICO ON THE OCCASION OF THE DEMOCRATIC ELECTIONS HELD IN MEXICO.

(a) CONGRATULATING THE PEOPLE OF MEXICO.—The Senate, on behalf of the people of the United States, hereby—

(1) congratulates the people of Mexico for their long, courageous, and fruitful struggle for representative democracy and the rule of law;

(2) congratulates Vicente Fox Quesada for his electoral triumph and extends to him genuine best wishes for great success in his formation of a new government; and

(3) congratulates Ernesto Zedillo Ponce de León, current President of the United Mexican States, for his historic commitment to ensure the peaceful and stable transition of power.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States should seek to—

(1) expand and intensify its cooperation with the newly elected Government of Mexico to promote economic development and to reduce poverty to achieve an improved quality of life for citizens of both countries;

(2) confront common threats such as the trafficking in illicit narcotics; and

(3) act in solidarity to actively promote representative democracy and the rule of law throughout the world.

SEC. 2. TRANSMITTAL OF RESOLUTION.

The Secretary of the Senate shall transmit a copy of this resolution to—

(1) Vicente Fox Quesada, President-elect of the United Mexican States;

(2) Luis Felipe Bravo Mena, president of the National Action Party of Mexico;

(3) the International Republican Institute for International Affairs and the National Democratic Institute; and

(4) the Secretary of State with the request that the Secretary further transmit such copy to Ernesto Zedillo Ponce de León, President of the United Mexican States.

AMENDMENTS SUBMITTED

DEATH TAX ELIMINATION ACT

MOYNIHAN AMENDMENT NO. 3821

Mr. MOYNIHAN proposed an amendment to the bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase-out the estate and gift taxes over a 10-year period; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

SEC. 2. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 3. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

SEC. 4. SENSE OF SENATE REGARDING SAVINGS.

It is the sense of the Senate that the reduced cost to the Federal Treasury resulting from the amendments made by this Act as compared to the cost to the Federal Treasury of H.R. 8 as received by the Senate from the House of Representatives on June 12, 2000, should be used exclusively to reduce the Federal debt held by the public.

Amend the title so as to read: ''An Act to amend the Internal Revenue Code of 1986 to increase the unified credit exemption and the qualified family-owned business interest deduction, and for other purposes.''

SCHUMER (AND OTHERS) AMENDMENT NO. 3822

Mr. SCHUMER (for himself, Mr. BIDEN, Mr. BAYH, Ms. LANDRIEU, Mr. DURBIN, and Mr. ROBB) proposed an amendment to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—MAKE COLLEGE AFFORDABLE

SEC. 201. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

''SEC. 222. HIGHER EDUCATION EXPENSES.

''(a) ALLOWANCE OF DEDUCTION.—

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable dollar amount of the qualified higher education expenses paid by the taxpayer during the taxable year.

''(2) APPLICABLE DOLLAR AMOUNT.—The applicable dollar amount for any taxable year shall be determined as follows:

''Taxable year:	Applicable dollar amount:
2002	$4,000
2003	$8,000
2004 and thereafter	$12,000.

''(b) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(1) IN GENERAL.—The amount which would (but for this subsection) be taken into account under subsection (a) shall be reduced (but not below zero) by the amount determined under paragraph (2).

''(2) AMOUNT OF REDUCTION.—The amount determined under this paragraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

''(A) the excess of—

''(i) the taxpayer's modified adjusted gross income for such taxable year, over

''(ii) $62,450 ($104,050 in the case of a joint return, $89,150 in the case of a return filed by a head of household, and $52,025 in the case of a return by a married individual filing separately), bears to

''(B) $15,000.

''(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined—

''(A) without regard to this section and sections 911, 931, and 933, and

''(B) after the application of sections 86, 135, 219, 220, and 469.

For purposes of the sections referred to in subparagraph (B), adjusted gross income shall be determined without regard to the deduction allowed under this section.

''(c) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of this section—

''(1) QUALIFIED HIGHER EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition and fees charged by an educational institution and required for the enrollment or attendance of—

''(i) the taxpayer,

''(ii) the taxpayer's spouse,

''(iii) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151, or

''(iv) any grandchild of the taxpayer,

as an eligible student at an institution of higher education.

''(B) ELIGIBLE COURSES.—Amounts paid for qualified higher education expenses of any individual shall be taken into account under subsection (a) only to the extent such expenses—

''(i) are attributable to courses of instruction for which credit is allowed toward a baccalaureate degree by an institution of higher education or toward a certificate of required course work at a vocational school, and

''(ii) are not attributable to any graduate program of such individual.

''(C) EXCEPTION FOR NONACADEMIC FEES.—Such term does not include any student activity fees, athletic fees, insurance expenses, or other expenses unrelated to a student's academic course of instruction.

''(D) ELIGIBLE STUDENT.—For purposes of subparagraph (A), the term 'eligible student' means a student who—

''(i) meets the requirements of section 484(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)), as in effect on the date of the enactment of this section, and

''(ii) is carrying at least one-half the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education.

''(E) IDENTIFICATION REQUIREMENT.—No deduction shall be allowed under subsection (a) to a taxpayer with respect to an eligible student unless the taxpayer includes the name, age, and taxpayer identification number of such eligible student on the return of tax for the taxable year.

''(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution which—

''(A) is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this section, and

''(B) is eligible to participate in programs under title IV of such Act.

''(d) SPECIAL RULES.—

''(1) NO DOUBLE BENEFIT.—

''(A) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense for which a deduction is allowable to the taxpayer under any other provision of this chapter unless the taxpayer irrevocably waives his right to the deduction of such expense under such other provision.

''(B) DENIAL OF DEDUCTION IF CREDIT ELECTED.—No deduction shall be allowed under subsection (a) for a taxable year with respect to the qualified higher education expenses of an individual if the taxpayer elects to have section 25A apply with respect to such individual for such year.

''(C) DEPENDENTS.—No deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(D) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a) for qualified higher education expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135 or 530(d)(2) for the taxable year.

''(2) LIMITATION ON TAXABLE YEAR OF DEDUCTION.—

''(A) IN GENERAL.—A deduction shall be allowed under subsection (a) for qualified higher education expenses for any taxable year only to the extent such expenses are in connection with enrollment at an institution of higher education during the taxable year.

''(B) CERTAIN PREPAYMENTS ALLOWED.—Subparagraph (A) shall not apply to qualified higher education expenses paid during a taxable year if such expenses are in connection with an academic term beginning during such taxable year or during the first 3 months of the next taxable year.

''(3) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amount of qualified higher education expenses otherwise taken into account under subsection (a) with respect to the education of an individual shall be reduced (before the application of subsection (b)) by the sum of the amounts received with respect to such individual for the taxable year as—

''(A) a qualified scholarship which under section 117 is not includable in gross income,

''(B) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or

''(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) for educational expenses, or attributable to enrollment at an eligible educational institution, which is exempt from income taxation by any law of the United States.

''(4) NO DEDUCTION FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(5) NONRESIDENT ALIENS.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

''(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring recordkeeping and information reporting.''

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) is amended by inserting after paragraph (17) the following:

''(18) HIGHER EDUCATION EXPENSES.—The deduction allowed by section 222.''

(c) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the item relating to section 222 and inserting the following:

''Sec. 222. Higher education expenses.

''Sec. 223. Cross reference.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

SEC. 202. CREDIT FOR INTEREST ON HIGHER EDUCATION LOANS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

''SEC. 25B. INTEREST ON HIGHER EDUCATION LOANS.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

''(b) MAXIMUM CREDIT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by subsection (a) for the taxable year shall not exceed $1,500.

''(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds $50,000 ($80,000 in the case of a joint return), the amount which would (but for this paragraph) be allowable as a credit under this section shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so allowable as such excess bears to $20,000.

''(B) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to sections 911, 931, and 933.

''(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2003, the $50,000 and $80,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2002' for '1992'.

''(D) ROUNDING.—If any amount as adjusted under subparagraph (C) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

''(c) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No credit shall be allowed by this section to an individual for the taxable year if a deduction under section 151 with respect to such individual is allowed to another taxpayer for the taxable year beginning in the calendar year in which such individual's taxable year begins.

''(d) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only with respect to interest paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan.

''(e) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED EDUCATION LOAN.—The term 'qualified education loan' has the meaning given such term by section 221(e)(1).

''(2) DEPENDENT.—The term 'dependent' has the meaning given such term by section 152.

''(f) SPECIAL RULES.—

''(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section for any amount taken into account for any deduction under any other provision of this chapter.

''(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(3) MARITAL STATUS.—Marital status shall be determined in accordance with section 7703.''

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

''Sec. 25B. Interest on higher education loans.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any qualified education loan (as defined in section 25B(e)(1) of the Internal Revenue Code of 1986, as added by this section) incurred on, before, or after the date of the enactment of this Act, but only with respect to any loan interest payment due after December 31, 2001.

TITLE III—ADVANCED TEACHER CERTIFICATION INCENTIVES

SEC. 301. CERTIFIED TEACHER CREDIT.

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

(1) Studies have shown that the greatest single in-school factor affecting student achievement is teacher quality.

(2) Most accomplished teachers do not get the rewards they deserve.

(3) After adjusting amounts for inflation, the average teacher salary for 1997–1998 of $39,347 is just $2 above what it was in 1993. Such salary is also just $1,924 more than the average salary recorded in 1972, a real increase of only $75 per year.

(4) While K–12 enrollments are steadily increasing, the teacher population is aging. There is a need, now more than ever, to attract competent, capable, and bright college graduates or mid-career professionals to the teaching profession.

(5) The Department of Education projects that 2,000,000 new teachers will have to be hired in the next decade. Shortages, if they occur, will most likely be felt in urban or rural regions of the country where working conditions may be difficult or compensation low.

(6) If students are to receive a high quality education and remain competitive in the global market the United States must attract talented and motivated people to the teaching profession in large numbers.

(b) ALLOWANCE OF CREDIT.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. CERTIFIED TEACHER CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an eligible teacher, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year $5,000.

''(2) YEAR CREDIT ALLOWED.—The credit under paragraph (1) shall be allowed in the taxable year in which the taxpayer becomes a certified individual.

''(b) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE TEACHER.—

''(A) IN GENERAL.—The term 'eligible teacher' means a certified individual who is a pre-kindergarten or early childhood educator, or a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school on a full-time basis for an academic year ending during a taxable year.

''(B) CERTIFIED INDIVIDUAL.—The term 'certified individual' means an individual who has successfully completed the requirements for advanced certification provided by the National Board for Professional Teaching Standards.

''(2) ELEMENTARY OR SECONDARY SCHOOL.—The term 'elementary or secondary school' means a public elementary or secondary school which—

''(A) is located in a school district of a local educational agency which is eligible, during the taxable year, for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), and

''(B) during the taxable year, the Secretary of Education determines to have an enrollment of children counted under section 1124(c) of such Act (20 U.S.C. 6333(c)) in an amount in excess of an amount equal to 40 percent of the total enrollment of such school.

''(c) VERIFICATION.—The credit allowed under subsection (a) shall be allowed with respect to any certified individual only if the certification is verified in such manner as the Secretary shall prescribe by regulation.

''(d) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.''.

(c) EXCLUSION FROM INCOME FOR CERTAIN AMOUNTS.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

''SEC. 139. CERTAIN AMOUNTS RECEIVED BY CERTIFIED TEACHERS.

''(a) IN GENERAL.—In the case of a certified teacher, gross income shall not include the value of anything received during the taxable year solely by reason of such teacher having successfully completed the requirements for advanced certification provided by the National Board for Professional Teaching Standards (such as an incentive payment).

''(b) CERTIFIED TEACHER.—For purposes of this section, the term 'certified teacher' has the meaning given the term 'eligible teacher' under section 35(b)(1).

''(c) VERIFICATION.—The exclusion under subsection (a) shall be allowed with respect to any certified teacher only if the certification is verified in such manner as the Secretary shall prescribe by regulation.

''(d) AMOUNTS MUST BE REASONABLE.—Amounts excluded under subsection (a) shall include only amounts which are reasonable.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by striking ''or'' before ''enacted'' and by inserting before the period at the end '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

''Sec. 35. Certified teacher credit.

''Sec. 36. Overpayments of tax.''

(3) The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

''Sec. 139. Certain amounts received by certified teachers.

''Sec. 140. Cross references to other Acts.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

HATCH (AND OTHERS) AMENDMENT NO. 3823

Mr. HATCH (for himself, Mr. ROBB, and Mr. KENNEDY) proposed an amendment to the bill, H.R. 8, supra; as follows:

At the end, add the following:

TITLE VI—PERMANENT EXTENSION OF RESEARCH CREDIT

SEC. 601. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Paragraph (1) of section 45C(b) is amended by striking subparagraph (D).

GRAHAM (AND OTHERS) AMENDMENT NO. 3824

(Ordered to lie on the table.)

Mr. GRAHAM (for himself, Mr. KENNEDY, Mr. ROBB, Mr. BRYAN, Mrs. LINCOLN, Mr. ROCKEFELLER, Mr. DASCHLE, Mr. WELLSTONE, Mr. KERRY, and Mr. DORGAN) submitted an amendment intended to be proposed by them to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.''

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—ADDTIONAL BUDGET RESOURCES FOR A MEDICARE PRESCRIPTION DRUG BENEFIT PROGRAM

SEC. 201. ADDITIONAL BUDGET RESOURCES FOR A MEDICARE PRESCRIPTION DRUG BENEFIT PROGRAM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Beneficiaries under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) are the only group of insured Americans without prescription drug coverage.

(2) At any point in time, approximately 13,000,000 medicare beneficiaries are without prescription drug coverage.

(3) Over the course of a year, nearly 20,000,000 medicare beneficiaries are without prescription drug coverage for all or part of the year.

(4) The options available to medicare beneficiaries for obtaining prescription drug coverage are declining since—

(A) the number of employers providing employer-sponsored retiree coverage is declining at a dramatic rate;

(B) Medicare+Choice plans that might otherwise provide prescription drug coverage are pulling out of counties throughout the Nation; and

(C) medicare supplemental policies (medigap policies) that offer prescription drug coverage are so prohibitively expensive that only 8 percent of medicare beneficiaries have the means to purchase such policies.

(5) An elderly individual without prescription drug coverage living on $12,525 a year (150 percent of the Federal poverty line), who has diabetes, hypertension, and high cholesterol, pays more than 18.3 percent of their total income on the prescription drugs most commonly prescribed to treat their medical conditions.

(6) Medicare beneficiaries should never have to make the choice between having a roof over their head, having food in their mouth, or having necessary prescription drugs.

(7) Congress must provide medicare beneficiaries with a meaningful medicare prescription drug benefit that—

(A) is universal and affordable;

(B) guarantees stable coverage for medicare beneficiaries receiving benefits through the original fee-for-service program or through enrollment in a Medicare+Choice plan; and

(C) provides real low-income and stop-loss protections.

(8) Meaningful prescription drug coverage includes stop-loss protection above $4,000 of out-of-pocket expenses for prescription drugs.

(9) In March 2000, the Congressional Budget Office estimated the on-budget surplus for the 5-year period of fiscal year 2001 through fiscal year 2005 to be $148,000,000,000, assuming that discretionary spending was allowed to increase with inflation.

(10) Relying on the March 2000 estimate of the Congressional Budget Office, on April 12, 2000, Congress passed the concurrent resolution on the budget for fiscal year 2001 which allocated $40,000,000,000 of the estimated on-budget surplus for the 5-year period described in paragraph (9) to provide a prescription drug benefit for medicare beneficiaries.

(11) Forty billion dollars over 5 years cannot ensure access to a meaningful medicare prescription drug benefit that—

(A) is universal and affordable;

(B) guarantees stable coverage for medicare beneficiaries receiving benefits through the original fee-for-service program or through enrollment in a Medicare+Choice plan; and

(C) provides real low-income and stop-loss protections.

(12) Congress should not be bound to an arbitrarily low and inadequate allocation for providing a medicare prescription drug benefit when the estimated on-budget surplus for the 5-year period described in paragraph (9) has increased dramatically since March 2000.

(13) The Office of Management and Budget recently has revised its estimates for the on-budget surplus for the 5-year period described in paragraph (9) and now estimates that the on-budget surplus will be $360,000,000,000 for such period.

(14) The Congressional Budget Office will issue its revised budget estimates in the next few days and those estimates are widely expected to reflect a significant increase in the on-budget surplus for the 5-year period described in paragraph (9) as compared to the on-budget surplus that was estimated for such period in March 2000.

(b) 2001 BUDGET RESOLUTION AMENDMENT.—Section 213(b) of H. Con. Res. 290 (106th Congress) is amended to read as follows:

''(b) ADJUSTMENTS.—The chairman of the Committee on the Budget of the House or Senate, as applicable—

''(1) shall revise committee allocations and other appropriate budgetary levels and limits to accommodate legislation described in section 215(a) which improves access to prescription drugs for Medicare beneficiaries in an additional amount not to exceed $40,000,000,000 or the difference between the on-budget surpluses in the reports referred to in subsection (a), whichever is less; and

''(2) may, after the adjustment in paragraph (1), make the following adjustments in an amount not to exceed the difference between the on-budget surpluses in the reports referred to in subsection (a) minus the adjustment made pursuant to paragraph (1):

''(A) Reduce the on-budget revenue aggregate by that amount for such fiscal year.

''(B) Adjust the instruction in section 103 or 104 to—

''(i) increase the reduction in revenues by that amount for fiscal year 2001;

''(ii) increase the reduction in revenues by the sum of the amounts for the period of fiscal years 2001 through 2005; and

''(iii) in the House only, increase the amount of debt reduction by that amount for fiscal year 2001.

''(C) Adjust such other levels in this resolution, as appropriate and the Senate pay-as-you-go scorecard.''.

BAYH (AND OTHERS) AMENDMENT NO. 3825

Mr. BAYH (for himself, Mr. DURBIN, Ms. MIKULSKI, and Mr. FEINGOLD) proposed an amendment to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—HEALTH PROVISIONS

SEC. 201. LONG-TERM CARE TAX CREDIT.

(a) ALLOWANCE OF CREDIT.—

(1) IN GENERAL.—Section 24(a) (relating to allowance of child tax credit) is amended to read as follows:

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(A) $500 multiplied by the number of qualifying children of the taxpayer, plus

''(B) the applicable dollar amount multiplied by the number of applicable individuals with respect to whom the taxpayer is an eligible caregiver for the taxable year.

''(2) APPLICABLE DOLLAR AMOUNT.—For purposes of paragraph (1)(B), the applicable dollar amount for taxable years beginning in any calendar year shall be determined in accordance with the following table:

''Calendar year:	Applicable Dollar amount:
2001	$1,000
2002	$1,500
2003	$2,000
2004	$2,500
2005 and thereafter	$3,000.''

(2) ADDITIONAL CREDIT FOR TAXPAYER WITH 3 OR MORE SEPARATE CREDIT AMOUNTS.—So much of section 24(d) as precedes paragraph (1)(A) thereof is amended to read as follows:

''(d) ADDITIONAL CREDIT FOR TAXPAYERS WITH 3 OR MORE SEPARATE CREDIT AMOUNTS.—

''(1) IN GENERAL.—If the sum of the number of qualifying children of the taxpayer and the number of applicable individuals with respect to which the taxpayer is an eligible caregiver is 3 or more for any taxable year, the aggregate credits allowed under subpart C shall be increased by the lesser of—''.

(3) CONFORMING AMENDMENTS.—

(A) The heading for section 32(n) is amended by striking ''CHILD'' and inserting ''FAMILY CARE''.

(B) The heading for section 24 is amended to read as follows:

''SEC. 24. FAMILY CARE CREDIT.''

(C) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 24 and inserting the following new item:

''Sec. 24. Family care credit.''

(b) DEFINITIONS.—Section 24(c) (defining qualifying child) is amended to read as follows:

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFYING CHILD.—

''(A) IN GENERAL.—The term 'qualifying child' means any individual if—

''(i) the taxpayer is allowed a deduction under section 151 with respect to such individual for the taxable year,

''(ii) such individual has not attained the age of 17 as of the close of the calendar year in which the taxable year of the taxpayer begins, and

''(iii) such individual bears a relationship to the taxpayer described in section 32(c)(3)(B).

''(B) EXCEPTION FOR CERTAIN NONCITIZENS.—The term 'qualifying child' shall not include any individual who would not be a dependent if the first sentence of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

''(2) APPLICABLE INDIVIDUAL.—

''(A) IN GENERAL.—The term 'applicable individual' means, with respect to any taxable year, any individual who has been certified, before the due date for filing the return of tax for the taxable year (without extensions), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being an individual with long-term care needs described in subparagraph (B) for a period—

''(i) which is at least 180 consecutive days, and

''(ii) a portion of which occurs within the taxable year.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the 39½ month period ending on such due date (or such other period as the Secretary prescribes) a physician (as so defined) has certified that such individual meets such requirements.

''(B) INDIVIDUALS WITH LONG-TERM CARE NEEDS.—An individual is described in this subparagraph if the individual meets any of the following requirements:

''(i) The individual is at least 6 years of age and—

''(I) is unable to perform (without substantial assistance from another individual) at least 3 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

''(II) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

''(ii) The individual is at least 2 but not 6 years of age and is unable due to a loss of functional capacity to perform (without substantial assistance from another individual) at least 2 of the following activities: eating, transferring, or mobility.

''(iii) The individual is under 2 years of age and requires specific durable medical equipment by reason of a severe health condition or requires a skilled practitioner trained to address the individual's condition to be available if the individual's parents or guardians are absent.

''(3) ELIGIBLE CAREGIVER.—

''(A) IN GENERAL.—A taxpayer shall be treated as an eligible caregiver for any taxable year with respect to the following individuals:

''(i) The taxpayer.

''(ii) The taxpayer's spouse.

''(iii) An individual with respect to whom the taxpayer is allowed a deduction under section 151 for the taxable year.

''(iv) An individual who would be described in clause (iii) for the taxable year if section 151(c)(1)(A) were applied by substituting for the exemption amount an amount equal to the sum of the exemption amount, the standard deduction under section 63(c)(2)(C), and any additional standard deduction under section 63(c)(3) which would be applicable to the individual if clause (iii) applied.

''(v) An individual who would be described in clause (iii) for the taxable year if—

''(I) the requirements of clause (iv) are met with respect to the individual, and

''(II) the requirements of subparagraph (B) are met with respect to the individual in lieu of the support test of section 152(a).

''(B) RESIDENCY TEST.—The requirements of this subparagraph are met if an individual

has as his principal place of abode the home of the taxpayer and—

''(i) in the case of an individual who is an ancestor or descendant of the taxpayer or the taxpayer's spouse, is a member of the taxpayer's household for over half the taxable year, or

''(ii) in the case of any other individual, is a member of the taxpayer's household for the entire taxable year.

''(C) SPECIAL RULES WHERE MORE THAN 1 ELIGIBLE CAREGIVER.—

''(i) IN GENERAL.—If more than 1 individual is an eligible caregiver with respect to the same applicable individual for taxable years ending with or within the same calendar year, a taxpayer shall be treated as the eligible caregiver if each such individual (other than the taxpayer) files a written declaration (in such form and manner as the Secretary may prescribe) that such individual will not claim such applicable individual for the credit under this section.

''(ii) NO AGREEMENT.—If each individual required under clause (i) to file a written declaration under clause (i) does not do so, the individual with the highest modified adjusted gross income (as defined in section 32(c)(5)) shall be treated as the eligible caregiver.

''(iii) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of married individuals filing separately, the determination under this subparagraph as to whether the husband or wife is the eligible caregiver shall be made under the rules of clause (ii) (whether or not one of them has filed a written declaration under clause (i)).''

(c) IDENTIFICATION REQUIREMENTS.—

(1) IN GENERAL.—Section 24(e) is amended by adding at the end the following new sentence: ''No credit shall be allowed under this section to a taxpayer with respect to any applicable individual unless the taxpayer includes the name and taxpayer identification number of such individual, and the identification number of the physician certifying such individual, on the return of tax for the taxable year.''

(2) ASSESSMENT.—Section 6213(g)(2)(I) of such Code is amended—

(A) by inserting ''or physician identification'' after ''correct TIN'', and

(B) by striking ''child'' and inserting ''family care''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 202. FULL DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(*l*)(1) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''.

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

WELLSTONE (AND OTHERS) AMENDMENT NO. 3826

(Ordered to lie on the table.)

Mr. WELLSTONE (for himself, Mr. DODD, Mr. LANDRIEU, and Mr. KOHL), submitted an amendment intended to be proposed by them to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	The applicable exclusion amount is:
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	The applicable deduction amount is:
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—DEPENDENT CARE TAX CREDIT

SEC. 201. EXPANSION OF DEPENDENT CARE TAX CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 21(a) (relating to expenses for household and dependent care services necessary for gainful employment) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent (40 percent for taxable years beginning after December 31, 2002, and before January 1, 2005) reduced (but not below 20 percent) by 1 percentage point for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $30,000.''

(b) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Notwithstanding subsection (d), in the case of any taxpayer with one or more qualifying individuals described in subsection (b)(1)(A) under the age of 1 at any time during the taxable year, such taxpayer shall be deemed to have employment-related expenses with respect to not more than 2 of such qualifying individuals in an amount equal to the greater of—

''(A) the amount of employment-related expenses incurred for such qualifying individuals for the taxable year (determined under this section without regard to this paragraph), or

''(B) $41.67 for each month in such taxable year during which each such qualifying individual is under the age of 1.''.

(c) INFLATION ADJUSTMENT OF DOLLAR AMOUNTS.—

(1) Section 21 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the $30,000 amount contained in subsection (a), the $2,400 amount in subsection (c), and the $41.67 amount in subsection (e)(11) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

If the increase determined under the preceding sentence is not a multiple of $50 ($5 in the case of the amount in subsection (e)(11)), such amount shall be rounded to the next lowest multiple thereof.''

(2) Paragraph (2) of section 21(c) is amended by striking ''$4,800'' and inserting ''twice the dollar amount applicable under paragraph (1)''.

(3) Paragraph (2) of section 21(d) is amended by striking ''less than—'' and all that follows through the end of the first sentence and inserting ''less than 1/12 of the amount which applies under subsection (c) to the taxpayer for the taxable year.''

(d) CREDIT ALLOWED BASED ON RESIDENCY IN CERTAIN CASES.—Subsection (e) of section 21 is amended by adding at the end the following new paragraph:

''(12) CREDIT ALLOWED BASED ON RESIDENCY IN CERTAIN CASES.—In the case of a taxpayer—

''(A) who does not satisfy the household maintenance test of subsection (a) for any period, but

''(B) whose principal place of abode for such period is also the principal place of abode of any qualifying individual,

then such taxpayer shall be treated as satisfying such test for such period but the amount of credit allowable under this section with respect to such individual shall be determined by allowing only 1/12 of the limitation under subsection (c) for each full month that the requirement of subparagraph (B) is met.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 202. DEPENDENT CARE TAX CREDIT MADE REFUNDABLE.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended—

(1) by redesignating section 35 as section 36, and

(2) by redesignating section 21 as section 35.

(b) ADVANCE PAYMENT OF CREDIT.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following:

''SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

''(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

''(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

''(1) certifies that the employee will be eligible to receive the credit provided by section 35 for the taxable year,

''(2) certifies that the employee reasonably expects to be an applicable taxpayer for the taxable year,

''(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

''(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

''(5) states the number of qualifying individuals in the household maintained by the employee, and

''(6) estimates the amount of employment-related expenses for the calendar year.

''(c) DEPENDENT CARE ADVANCE AMOUNT.—

''(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

''(A) on the basis of the employee's wages from the employer for such period,

''(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

''(C) in accordance with tables provided by the Secretary.

''(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

''(e) DEFINITIONS.—For purposes of this section, terms used in this section which are defined in section 35 shall have the respective meanings given such terms by section 35.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 35(a)(1), as redesignated by paragraph (1), is amended by striking ''chapter'' and inserting ''subtitle''.

(2) Section 35(e), as so redesignated and amended by subsection (c), is amended by adding at the end the following:

''(13) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply for purposes of this section.''.

(3) Sections 23(f)(1) and 129(a)(2)(C) are each amended by striking ''section 21(e)'' and inserting ''section 35(e)''.

(4) Section 129(b)(2) is amended by striking ''section 21(d)(2)'' and inserting ''section 35(d)(2)''.

(5) Section 129(e)(1) is amended by striking ''section 21(b)(2)'' and inserting ''section 35(b)(2)''.

(6) Section 213(e) is amended by striking ''section 21'' and inserting ''section 35''.

(7) Section 995(f)(2)(C) is amended by striking ''and 34'' and inserting ''34, and 35''.

(8) Section 6211(b)(4)(A) is amended by striking ''and 34'' and inserting '', 34, and 35''.

(9) Section 6213(g)(2)(H) is amended by striking ''section 21'' and inserting ''section 35''.

(10) Section 6213(g)(2)(L) is amended by striking ''section 21, 24, or 32'' and inserting ''section 24, 32, or 35''.

(11) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

''Sec. 35. Dependent care services.

''Sec. 36. Overpayments of tax.''.

(12) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(13) The table of sections for chapter 25 is amended by adding after the item relating to section 3507 the following:

''Sec. 3507A. Advance payment of dependent care credit.''.

(14) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period '', or enacted by the Death Tax Elimination Act of 2000''.

(d) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2002.

TITLE III—EXPANSION OF ADOPTION CREDIT

SEC. 301. EXPANSION OF ADOPTION CREDIT.

(a) SPECIAL NEEDS ADOPTION.—

(1) CREDIT AMOUNT.—Paragraph (1) of section 23(a) (relating to allowance of credit) is amended to read as follows:

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

''(A) in the case of a special needs adoption, $10,000, or

''(B) in the case of any other adoption, the amount of the qualified adoption expenses paid or incurred by the taxpayer.''.

(2) YEAR CREDIT ALLOWED.—Section 23(a)(2) (relating to year credit allowed) is amended by adding at the end the following new flush sentence:

''In the case of a special needs adoption, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.''.

(3) DOLLAR LIMITATION.—Section 23(b)(1) is amended—

(A) by striking ''subsection (a)'' and inserting ''subsection (a)(1)(B)'', and

(B) by striking ''($6,000, in the case of a child with special needs)''.

(4) DEFINITION OF SPECIAL NEEDS ADOPTION.—Section 23(d) (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) SPECIAL NEEDS ADOPTION.—The term 'special needs adoption' means the final adoption of an individual during the taxable year who is an eligible child and who is a child with special needs.''.

(5) DEFINITION OF CHILD WITH SPECIAL NEEDS.—Section 23(d)(3) (defining child with special needs) is amended to read as follows:

''(3) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means any child if a State has determined that the child's ethnic background, age, membership in a minority or sibling groups, medical condition or physical impairment, or emotional handicap makes some form of adoption assistance necessary.''.

(b) INCREASE IN INCOME LIMITATIONS.—Section 23(b)(2) (relating to income limitation) is amended—

(1) in subparagraph (A)—

(A) by striking ''$75,000'' and inserting ''$63,550 ($105,950 in the case of a joint return)'', and

(B) by striking ''$40,000'' and inserting ''the applicable amount'', and

(2) by adding at the end the following new subparagraph:

''(C) APPLICABLE AMOUNT.—For purposes of subparagraph (A), the applicable amount, with respect to any taxpayer, for the taxable year shall be an amount equal to the excess of—

''(i) the maximum taxable income amount for the 31 percent bracket under the table contained in section 1 relating to such taxpayer and in effect for the taxable year, over

''(ii) the dollar amount in effect with respect to the taxpayer for the taxable year under subparagraph (A)(i).

''(D) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of a taxable year beginning after 2001, each dollar amount under subparagraph (A)(i) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.''.

(c) ADOPTION CREDIT MADE PERMANENT.—Subclauses (A) and (B) of section 23(d)(2) (defining eligible child) are amended to read as follows:

''(A) who has not attained age 18, or

''(B) who is physically or mentally incapable of caring for himself.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 23(a)(2) is amended by striking ''(1)'' and inserting ''(1)(B)''.

(2) Section 23(b)(3) is amended by striking ''(a)'' each place it appears and inserting ''(a)(1)(B)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE IV—INCENTIVES FOR EMPLOYER-PROVIDED CHILD CARE

SEC. 401. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to the sum of—

''(1) 25 percent of the qualified child care expenditures, and

''(2) 10 percent of the qualified child care resource and referral expenditures,

of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(i) to acquire, construct, rehabilitate, or expand property—

''(I) which is to be used as part of an eligible qualified child care facility of the taxpayer,

''(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(III) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(ii) for the operating costs of an eligible qualified child care facility of the taxpayer, including costs related to the training of employees of the child care facility, to scholarship programs, to the providing of differential compensation to employees based on level of child care training, and to expenses associated with achieving accreditation, or

''(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care expenditure' shall not include any amount expended in relation to any child care services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) ELIGIBLE QUALIFIED CHILD CARE FACILITY.—A qualified child care facility shall be treated as an eligible qualified child care facility with respect to the taxpayer if—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer, and

''(iii) at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(C) APPLICATION OF SUBPARAGRAPH (B).—In the case of a new facility, the facility shall be treated as meeting the requirement of subparagraph (B)(iii) if not later than 2 years after placing such facility in service at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(3) QUALIFIED CHILD CARE RESOURCE AND REFERRAL EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care resource and referral expenditure' means any amount paid or incurred under a contract to provide child care resource and referral services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care resource and referral expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care resource and referral expenditure' shall not include any amount expended in relation to any child care resource and referral services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any eligible qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	**The applicable recapture percentage is:**
Year 1	100
Year 2	80
Year 3	60
Year 4	40
Year 5	20
Years 6 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the eligible qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as an eligible qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in an eligible qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended—

(A) by striking out ''plus'' at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following new paragraph:

''(13) the employer-provided child care credit determined under section 45D.''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45D. Employer-provided child care credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

ABRAHAM (AND OTHERS) AMENDMENT NO. 3827

Mr. ABRAHAM (for himself, Mr. FITZGERALD, Mrs. HUTCHISON, and Mr. GRAMS) proposed an amendment to the bill, H.R. 8, supra; as follows:

At the end, add the following:

TITLE VI—TEMPORARY FEDERAL FUELS TAX REDUCTION

SEC. 601. SHORT TITLE.

This title may be cited as the ''Motorists Relief Act of 2000''.

SEC. 602. TEMPORARY REDUCTION IN HIGHWAY FUEL TAXES ON GASOLINE, DIESEL FUEL, KEROSENE, AND SPECIAL FUELS TO ZERO.

(a) IN GENERAL.—Section 4081 of the Internal Revenue Code of 1986 (relating to imposition of tax on gasoline, diesel fuel, and kerosene) is amended by adding at the end the following new subsection:

''(f) TEMPORARY REDUCTION IN TAXES ON GASOLINE, DIESEL FUEL, KEROSENE, AND SPECIAL FUELS.—

''(1) HOLDING HARMLESS HIGHWAY TRUST FUND AND APPORTIONMENTS.—In determining the amounts to be appropriated or transferred to the Highway Trust Fund under section 9503 an amount equal to the reduction in revenues to the Treasury by reason of a reduction in any rate of tax under paragraph (3) shall be treated for purposes of chapter 98 as taxes received in the Treasury at such rate. Amounts appropriated or transferred by reason of the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to the Highway Trust Fund had this subsection not been enacted. Nothing in this subsection may be construed as authorizing a reduction in the apportionments of such Trust Fund to the States as a result of the temporary reduction in rates of tax under paragraph (3), except as otherwise provided by law.

''(2) PROTECTING SOCIAL SECURITY TRUST FUND.—If the Secretary, after consultation with the Director of the Office of Management and Budget, and based on the most recent available estimate of the Federal on-budget surplus for fiscal years 2000 and 2001, determines that such reduction would result in an aggregate reduction in revenues to the Treasury exceeding such surplus during the remainder of the applicable period, the Secretary shall modify such reduction such that each rate of tax referred to in paragraph (4) is reduced in a pro rata manner and such aggregate reduction does not exceed such surplus.

''(3) TEMPORARY REDUCTION IN RATES OF CERTAIN TAXES.—During the applicable period, each rate of tax referred to in paragraph (4) shall be reduced to zero.

''(4) RATES OF TAX.—The rates of tax referred to in this paragraph are the rates of tax otherwise applicable under—

''(A) clauses (i) and (iii) of subsection (a)(2)(A) (relating to gasoline, diesel fuel, and kerosene), and

''(B) paragraphs (1), (2), and (3) of section 4041(a) (relating to diesel fuel and special fuels) and section 4041(m) (relating to certain alcohol fuels) with respect to fuel sold for use or used in a highway vehicle.

''(5) SPECIAL REDUCTION RULES.—In the case of a reduction under paragraph (3)—

''(A) subsection (c) shall be applied without regard to paragraph (6) thereof,

''(B) section 40(e)(1) shall be applied without regard to subparagraph (B) thereof,

''(C) section 4041(d)(1) shall be applied by disregarding 'if tax is imposed by subsection (a)(1) or (2) on such sale or use', and

''(D) section 6427(b) shall be applied without regard to paragraph (2) thereof.

''(6) APPLICABLE PERIOD.—For purposes of this subsection, the term 'applicable period' means the 150-day period beginning after the date of the enactment of the Motorists Relief Act of 2000.

''(7) PREEMPTION OF STATE LAW.—No State tax may be increased by reason of any suspension of tax under this subsection.

''(8) RETURN REQUIREMENTS CONTINUE IN EFFECT.—Requirements for filing returns relating to any tax reduced under this subsection, and penalties for failing to file such returns, shall continue in effect as if this subsection had not been enacted. Such returns shall identify the amount of tax that would have been paid but for the enactment of this subsection.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 603. FLOOR STOCK REFUNDS.

(a) IN GENERAL.—If—

(1) before the tax reduction date, tax has been imposed under section 4041 or 4081 of the Internal Revenue Code of 1986 on any liquid, and

(2) on such date such liquid is held by a dealer and has not been used and is intended for sale,

there shall be credited or refunded (without interest) to the person who paid such tax (hereafter in this section referred to as the ''taxpayer'') an amount equal to the excess of the tax paid by the taxpayer over the amount of such tax which would be imposed on such liquid had the taxable event occurred on the tax reduction date.

(b) TIME FOR FILING CLAIMS.—No credit or refund shall be allowed or made under this section unless—

(1) claim therefor is filed with the Secretary of the Treasury before the date which is 6 months after the tax reduction date, and

(2) in any case where liquid is held by a dealer (other than the taxpayer) on the tax reduction date—

(A) the dealer submits a request for refund or credit to the taxpayer before the date which is 3 months after the tax reduction date, and

(B) the taxpayer files with the Secretary—

(i) a certification that the taxpayer has given, subsequent to receipt of the request for refund or credit from such dealer under subparagraph (A), a credit to such dealer with respect to such liquid against the dealer's first purchase of liquid from the taxpayer, and

(ii) a certification by such dealer that such dealer has given, subsequent to the tax suspension date, a credit to a succeeding dealer (if any) with respect to such liquid against the succeeding dealer's first purchase of liquid from such dealer.

(c) REASONABLENESS OF CLAIMS CERTIFIED.—Any certification made under subsection (b)(1)(B) shall include an additional certification that the claim for credit was reasonably based on the taxpayer's or dealer's past business relationship with the succeeding dealer.

(d) DEFINITIONS.—For purposes of this section—

(1) the terms ''dealer'' and ''held by a dealer'' have the respective meanings given to such terms by section 6412 of such Code; except that the term ''dealer'' includes a producer, and

(2) the term ''tax reduction date'' means the day after the date of the enactment of this Act.

(e) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (b) and (c) of section 6412 of such Code shall apply for purposes of this section.

SEC. 604. FLOOR STOCKS TAX.

(a) IMPOSITION OF TAX.—In the case of any liquid on which tax would have been imposed under section 4041 or 4081 of the Internal Revenue Code of 1986 during the applicable period but for the amendments made by this Act, and which is held on the floor stocks tax date by any person, there is hereby imposed a floor stocks tax equal to the excess of the tax which would be imposed on such liquid had the taxable event occurred on such date over the tax previously paid (if any) on such liquid.

(b) LIABILITY FOR TAX AND METHOD OF PAYMENT.—

(1) LIABILITY FOR TAX.—A person holding a liquid on the floor stocks tax date to which the tax imposed by subsection (a) applies shall be liable for such tax.

(2) METHOD OF PAYMENT.—The tax imposed by subsection (a) shall be paid in such manner as the Secretary of the Treasury shall prescribe.

(3) TIME FOR PAYMENT.—The tax imposed by subsection (a) shall be paid on or before the date which is 45 days after the floor stocks tax date.

(c) DEFINITIONS.—For purposes of this section—

(1) HELD BY A PERSON.—A liquid shall be considered as ''held by a person'' if title thereto has passed to such person (whether or not delivery to the person has been made).

(2) FLOOR STOCKS TAX DATE.—The term ''floor stocks tax date'' means the day after the date which is 150 days after the date of the enactment of this Act.

(3) APPLICABLE PERIOD.—The term ''applicable period'' means the 150-day period beginning after the date of the enactment of this Act.

(d) EXCEPTION FOR EXEMPT USES.—The tax imposed by subsection (a) shall not apply to any liquid held by any person exclusively for any use to the extent a credit or refund of the tax referred to in section 4081(f)(4) of the Internal Revenue Code of 1986 (as added by section 602) is allowable for such use.

(e) EXCEPTION FOR CERTAIN AMOUNTS OF FUEL.—

(1) IN GENERAL.—No tax shall be imposed by subsection (a) on any liquid held on the floor stocks tax date by any person if the aggregate amount of such liquid held by such person on such date does not exceed 2,000 gallons. The preceding sentence shall apply only if such person submits to the Secretary (at the time and in the manner required by the Secretary) such information as the Secretary shall require for purposes of this paragraph.

(2) EXEMPT FUEL.—For purposes of paragraph (1), there shall not be taken into account any liquid held by any person which is exempt from the tax imposed by subsection (a) by reason of subsection (d).

(3) CONTROLLED GROUPS.—For purposes of this subsection—

(A) CORPORATIONS.—

(i) IN GENERAL.—All persons treated as a controlled group shall be treated as 1 person.

(ii) CONTROLLED GROUP.—The term ''controlled group'' has the meaning given to such term by subsection (a) of section 1563 of such Code; except that for such purposes the phrase ''more than 50 percent'' shall be substituted for the phrase ''at least 80 percent'' each place it appears in such subsection.

(B) NONINCORPORATED PERSONS UNDER COMMON CONTROL.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraph (A) shall apply to a group of persons under common control where 1 or more of such persons is not a corporation.

(g) OTHER LAW APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4041 or 4081 of such Code shall, insofar as applicable and not inconsistent with the provisions of this subsection, apply with respect to the floor stock taxes imposed by subsection (a) to the same extent as if such taxes were imposed by such section 4041 or 4081.

SEC. 605. BENEFITS OF TAX REDUCTION SHOULD BE PASSED ON TO CONSUMERS.

(a) PASSTHROUGH TO CONSUMERS.—

(1) SENSE OF CONGRESS.—It is the sense of Congress that—

(A) consumers immediately receive the benefit of the reduction in taxes under this Act, and

(B) transportation motor fuels producers and other dealers take such actions as necessary to reduce transportation motor fuels prices to reflect such reduction, including immediate credits to customer accounts representing tax credits or refunds under 604.

(2) STUDY.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the reduction of taxes under this Act to determine whether there has been a passthrough of such reduction.

(B) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Comptroller General of the United States shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives the results of the study conducted under subparagraph (A).

BINGAMAN (AND OTHERS) AMENDMENT NO. 3828

Mr. BINGAMAN (for himself, Mr. KENNEDY, Mrs. MURRAY, Mr. DODD, Mr. KERRY, Mr. SCHUMER, and Mr. DORGAN) proposed an amendment to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

SEC. 2. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 3. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

SEC. 4. APPROPRIATIONS.

There are appropriated, out of any money in the Treasury not otherwise appropriated, the following amounts:

(1) $1,750,000,000 to carry out class size reduction activities in the same manner as such activities are carried out under section 310 of the Department of Education Appropriations Act, 2000.

(2) $2,200,000,000 to carry out title II of the Elementary and Secondary Education Act of 1965 and title II of the Higher Education Act of 1965.

(3) $250,000,000 to carry out sections 1116 and 1117 of the Elementary and Secondary Education Act of 1965.

(4) $1,000,000,000 to carry out part I of title X of the Elementary and Secondary Education Act of 1965.

(5) $325,000,000 to carry out chapter 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965.

(6) $1,000,000,000 to carry out part B of the Individuals with Disabilities Education Act.

(7) $3,000,000,000 to enable the Secretary of Education to carry out a College Completion Grant Program.

(8) $150,000,000 to carry out part D of title I of the Elementary and Secondary Education Act of 1965.

(9) $1,300,000,000 to carry out title XII of the Elementary and Secondary Education Act of 1965.

ROTH (AND OTHERS) AMENDMENT NO. 3829

Mr. ROTH (for himself, Mr. BREAUX, Mr. NICKLES, Mr. ROBB, Mr. MURKOWSKI, Ms. COLLINS, and Mr. BAUCUS) proposed an amendment to the bill, H.R. 8, supra; as follows:

At the end, add the following:

TITLE VI—REPEAL OF EXCISE TAX ON TELEPHONE AND OTHER COMMUNICATIONS SERVICES

SEC. 601. REPEAL OF EXCISE TAX ON TELEPHONE AND OTHER COMMUNICATIONS SERVICES.

(a) IN GENERAL.—Chapter 33 (relating to facilities and services) is amended by striking subchapter B.

(b) CONFORMING AMENDMENTS.—

(1) Section 4293 is amended by striking ''chapter 32 (other than the taxes imposed by sections 4064 and 4121) and subchapter B of chapter 33,'' and inserting ''and chapter 32 (other than the taxes imposed by sections 4064 and 4121),''.

(2)(A) Paragraph (1) of section 6302(e) is amended by striking ''section 4251 or''.

(B) Paragraph (2) of section 6302(e) is amended by striking ''imposed by—'' and all that follows through ''with respect to'' and inserting ''imposed by section 4261 or 4271 with respect to''.

(C) The subsection heading for section 6302(e) is amended by striking ''COMMUNICATIONS SERVICES AND''.

(3) Section 6415 is amended by striking ''4251, 4261, or 4271'' each place it appears and inserting ''4261 or 4271''.

(4) Paragraph (2) of section 7871(a) is amended by inserting ''or'' at the end of subparagraph (B), by striking subparagraph (C), and by redesignating subparagraph (D) as subparagraph (C).

(5) The table of subchapters for chapter 33 is amended by striking the item relating to subchapter B.

(c) STUDY REGARDING CONTINUING ECONOMIC BENEFIT OF REPEAL.—

(1) STUDY.—The Comptroller General of the United States, after consultation with the Chairman of the Federal Communications Commission, shall study and identify—

(A) the extent to which the benefits of the repeal of the excise tax on telephone and other communication services under subsection (a) are passed through to individual and business consumers, and

(B) any actions taken by communication service providers or others that diminish such benefits, including increases in any regulated or unregulated communication service provider charges or increases in other Federal or State fees or taxes related to such service occurring since the date of such repeal.

(2) REPORT.—By not later than September 1, 2001, the Comptroller General of the United States shall submit a report regarding the study described in paragraph (1) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid pursuant to bills first rendered after August 31, 2000.

PROVIDING MARRIAGE TAX RELIEF

TORRICELLI AMENDMENT NO. 3831

(Ordered to lie on the table.)

Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill (S. 2839) to amend the Internal Revenue Code of 1986 to provide marriage tax relief by adjusting the standard deduction, 15-percent and 28-percent rate brackets, and earned income credit, and for other purposes; as follows:

At the end, add the following:

SEC. ___. MODIFICATIONS TO DISASTER CASUALTY LOSS DEDUCTION.

(a) LOWER ADJUSTED GROSS INCOME THRESHOLD.—Paragraph (2) of section 165(h) of the Internal Revenue Code of 1986 (relating to treatment of casualty gains and losses) is amended—

(1) by striking subparagraph (A) and inserting the following:

''(A) IN GENERAL.—If the personal casualty losses for any taxable year exceed the personal casualty gains for such taxable year, such losses shall be allowed for the taxable year only to the extent of the sum of—

''(i) the amount of the personal casualty gains for the taxable year, plus

''(ii) so much of such excess attributable to losses described in subsection (i) as exceeds 5 percent of the adjusted gross income of the individual (determined without regard to any deduction allowable under subsection (c)(3))'', plus

''(iii) so much of such excess attributable to losses not described in subsection (i) as exceeds 10 percent of the adjusted gross income of the individual.

For purposes of this subparagraph, personal casualty losses attributable to losses not described in subsection (i) shall be considered before such losses attributable to losses described in subsection (i).'', and

(2) by striking ''10 PERCENT'' in the heading and inserting ''PERCENTAGE''.

(b) ABOVE-THE-LINE DEDUCTION.—Section 62(a) of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (17) the following:

''(18) CERTAIN DISASTER LOSSES.—The deduction allowed by section 165(c)(3) to the extent attributable to losses described in section 165(i).''

(c) ELECTION TO TAKE DISASTER LOSS DEDUCTION FOR PRECEDING OR SUCCEEDING 2 YEARS.—Paragraph (1) of section 165(i) of the Internal Revenue Code of 1986 (relating to disaster losses) is amended—

(1) by inserting ''or succeeding'' after ''preceding'', and

(2) by inserting ''OR SUCCEEDING'' after ''PRECEDING'' in the heading.

(d) ELIMINATION OF MARRIAGE PENALTY FOR INDIVIDUALS SUFFERING CASUALTY LOSSES.—Subparagraph (B) of section 165(h)(4) of the Internal Revenue Code of 1986 (relating to special rules) is amended to read as follows:

''(B) JOINT RETURNS.—For purposes of this subsection—

''(i) IN GENERAL.—Except as provided in clause (ii), a husband and wife making a joint return for the taxable year shall be treated as 1 individual.

''(ii) ELECTION.—A husband and wife may elect to have each be treated as a single individual for purposes of applying this section. If an election is made under this clause, the adjusted gross income of each individual shall be determined on the basis of the items of income and deduction properly allocable to the individual, as determined under rules prescribed by the Secretary.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to losses sustained in taxable years beginning after December 31, 2000.

TORRICELLI (AND REID) AMENDMENT NO. 3834

(Ordered to lie on the table.)

Mr. TORRICELLI (for himself and Mr. REID) submitted an amendment intended to be proposed by him to the bill, S. 2839, supra; as follows:

At the end of the bill, add the following:

SEC. 7. INCREASED LEAD POISONING SCREENINGS AND TREATMENTS UNDER THE MEDICAID PROGRAM.

(a) REPORTING REQUIREMENT.—Section 1902(a)(43)(D) of the Social Security Act (42 U.S.C. 1396a(a)(43)(D)) is amended—

(1) in clause (iii), by striking ''and'' at the end;

(2) in clause (iv), by striking the semicolon and inserting '', and''; and

(3) by adding at the end the following:

''(v) the number of children who are under the age of 3 and enrolled in the State plan and the number of those children who have received a blood lead screening test;''.

(b) MANDATORY SCREENING REQUIREMENTS.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (64), by striking ''and'' at the end;

(2) in paragraph (65), by striking the period and inserting ''; and''; and

(3) by inserting after paragraph (65) the following:

''(66) provide that each contract entered into between the State and an entity (including a health insuring organization and a medicaid managed care organization) that is responsible for the provision (directly or through arrangements with providers of services) of medical assistance under the State plan shall provide for—

''(A) compliance with mandatory blood lead screening requirements that are consistent with prevailing guidelines of the Centers for Disease Control and Prevention for such screening; and

''(B) coverage of qualified lead treatment services described in section 1905(x) including diagnosis, treatment, and follow-up furnished for children with elevated blood lead levels in accordance with prevailing guidelines of the Centers for Disease Control and Prevention.''.

(c) REIMBURSEMENT FOR TREATMENT OF CHILDREN WITH ELEVATED BLOOD LEAD LEVELS.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (a)—

(A) in paragraph (26), by striking ''and'' at the end;

(B) by redesignating paragraph (27) as paragraph (28); and

(C) by inserting after paragraph (26) the following:

''(27) qualified lead treatment services (as defined in subsection (x)); and''; and

(2) by adding at the end the following:

''(x)(1) In this subsection:

''(A) The term 'qualified lead treatment services' means the following:

''(i) Lead-related medical management, as defined in subparagraph (B).

''(ii) Lead-related case management, as defined in subparagraph (C), for a child described in paragraph (2).

''(iii) Lead-related anticipatory guidance, as defined in subparagraph (D), provided as part of—

''(I) prenatal services;

''(II) early and periodic screening, diagnostic, and treatment services (EPSDT) services described in subsection (r) and available under subsection (a)(4)(B) (including as described and available under implementing regulations and guidelines) to individuals enrolled in the State plan under this title who have not attained age 21; and

''(III) routine pediatric preventive services.

''(B) The term 'lead-related medical management' means the provision and coordination of the diagnostic, treatment, and follow-up services provided for a child diagnosed with an elevated blood lead level (EBLL) that includes—

''(i) a clinical assessment, including a physical examination and medically indicated tests (in addition to diagnostic blood lead level tests) and other diagnostic procedures to determine the child's developmental, neurological, nutritional, and hearing status, and the extent, duration, and possible source of the child's exposure to lead;

''(ii) repeat blood lead level tests furnished when medically indicated for purposes of monitoring the blood lead concentrations in the child;

''(iii) pharmaceutical services, including chelation agents and other drugs, vitamins, and minerals prescribed for treatment of an EBLL;

''(iv) medically indicated inpatient services including pediatric intensive care and emergency services;

''(v) medical nutrition therapy when medically indicated by a nutritional assessment, that shall be furnished by a dietitian or other nutrition specialist who is authorized to provide such services under State law;

''(vi) referral—

''(I) when indicated by a nutritional assessment, to the State agency or contractor administering the program of assistance under the special supplemental food program for women, infants and children (WIC) under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) and coordination of clinical management with that program; and

''(II) when indicated by a clinical or developmental assessment, to the State agency responsible for early intervention and special education programs under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.); and

''(vii) environmental investigation, as defined in subparagraph (E).

''(C) The term 'lead-related case management' means the coordination, provision, and oversight of the nonmedical services for a child with an EBLL necessary to achieve reductions in the child's blood lead levels, improve the child's nutrition, and secure needed resources and services to protect the child by a case manager trained to develop and oversee a multi-disciplinary plan for a child with an EBLL or by a childhood lead poisoning prevention program, as defined by the Secretary. Such services include—

''(i) assessing the child's environmental, nutritional, housing, family, and insurance

status and identifying the family's immediate needs to reduce lead exposure through an initial home visit;

''(ii) developing a multidisciplinary case management plan of action that addresses the provision and coordination of each of the following classes of services as appropriate—

''(I) whether or not such services are covered under the State plan under this title;

''(II) lead-related medical management of an EBLL (including environmental investigation);

''(III) nutrition services;

''(IV) family lead education;

''(V) housing;

''(VI) early intervention services;

''(VII) social services; and

''(VIII) other services or programs that are indicated by the child's clinical status and environmental, social, educational, housing, and other needs;

''(iii) assisting the child (and the child's family) in gaining access to covered and noncovered services in the case management plan developed under clause (ii);

''(iv) providing technical assistance to the provider that is furnishing lead-related medical management for the child; and

''(v) implementation and coordination of the case management plan developed under clause (ii) through home visits, family lead education, and referrals.

''(D) The term 'lead-related anticipatory guidance' means education and information for families of children and pregnant women enrolled in the State plan under this title about prevention of childhood lead poisoning that addresses the following topics:

''(i) The importance of lead screening tests and where and how to obtain such tests.

''(ii) Identifying lead hazards in the home.

''(iii) Specialized cleaning, home maintenance, nutritional, and other measures to minimize the risk of childhood lead poisoning.

''(iv) The rights of families under the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.).

''(E) The term 'environmental investigation' means the process of determining the source of a child's exposure to lead by an individual that is certified or registered to perform such investigations under State or local law, including the collection and analysis of information and environmental samples from a child's living environment. For purposes of this subparagraph, a child's living environment includes the child's residence or residences, residences of frequently visited caretakers, relatives, and playmates, and the child's day care site. Such investigations shall be conducted in accordance with the standards of the Department of Housing and Urban Development for the evaluation and control of lead-based paint hazards in housing and in compliance with State and local health agency standards for environmental investigation and reporting.

''(2) For purposes of paragraph (1)(A)(ii), a child described in this paragraph is a child who—

''(A) has attained 6 months but has not attained 6 years of age; and

''(B) has been identified as having a blood lead level that equals or exceeds 20 micrograms per deciliter (or after 2 consecutive tests, equals or exceeds 15 micrograms per deciliter, or the applicable number of micrograms designated for such tests under prevailing guidelines of the Centers for Disease Control and Prevention).''.

(d) ENHANCED MATCH FOR DATA COMMUNICATIONS SYSTEM.—Section 1903(a)(3) of the Social Security Act (42 U.S.C. 1396b(a)(3)) is amended—

(1) in subparagraph (D), by striking ''plus'' at the end and inserting ''and''; and

(2) by inserting after subparagraph (D), the following:

''(E)(i) 90 percent of so much of the sums expended during such quarter as are attributable to the design, development, or installation of an information retrieval system that may be easily accessed and used by other federally-funded means-tested public benefit programs to determine whether a child is enrolled in the State plan under this title and whether an enrolled child has received mandatory early and periodic screening, diagnostic, and treatment services, as described in section 1905(r); and

''(ii) 75 percent of so much of the sums expended during such quarter as are attributable to the operation of a system (whether such system is operated directly by the State or by another person under a contract with the State) of the type described in clause (i); plus''.

(e) REPORT.—The Secretary of Health and Human Services, acting through the Administrator of the Health Care Financing Administration, annually shall report to Congress on the number of children enrolled in the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) who have received a blood lead screening test during the prior fiscal year, noting the percentage that such children represent as compared to all children enrolled in that program.

(f) RULE OF CONSTRUCTION.—Nothing in this section or in any amendment made by this section shall be construed as prohibiting the Secretary of Health and Human Services or the State agency administering the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) from using funds provided under title XIX of that Act to reimburse a State or entity for expenditures for medically necessary activities in the home of a lead-poisoned child to prevent additional exposure to lead, including specialized cleaning of lead-contaminated dust, emergency relocation, safe repair of peeling paint, dust control, and other activities that reduce lead exposure.

TORRICELLI AMENDMENTS NOS. 3832–3833

(Ordered to lie on the table.)

Mr. TORRICELLI submitted two amendments intended to be proposed by him to the bill, S. 2839, supra; as follows:

AMENDMENT NO. 3832

At the end of the bill, add the following:

SEC. 7. WAIVER OF 24-MONTH WAITING PERIOD FOR MEDICARE COVERAGE OF INDIVIDUALS DISABLED WITH AMYOTROPHIC LATERAL SCLEROSIS (ALS).

(a) IN GENERAL.—Section 226 of the Social Security Act (42 U.S.C. 426) is amended—

(1) by redesignating subsection (h) as subsection (j) and by moving such subsection to the end of the section; and

(2) by inserting after subsection (g) the following:

''(h) For purposes of applying this section in the case of an individual medically determined to have amyotrophic lateral sclerosis (ALS), the following special rules apply:

''(1) Subsection (b) shall be applied as if there were no requirement for any entitlement to benefits, or status, for a period longer than 1 month.

''(2) The entitlement under such subsection shall begin with the first month (rather than twenty-fifth month) of entitlement or status.

''(3) Subsection (f) shall not be applied.''.

(b) CONFORMING AMENDMENT.—Section 1837 of such Act (42 U.S.C. 1395p) is amended by adding at the end the following:

''(j) In applying this section in the case of an individual who is entitled to benefits under part A pursuant to the operation of section 226(h), the following special rules apply:

''(1) The initial enrollment period under subsection (d) shall begin on the first day of the first month in which the individual satisfies the requirement of section 1836(1).

''(2) In applying subsection (g)(1), the initial enrollment period shall begin on the first day of the first month of entitlement to disability insurance benefits referred to in such subsection.''.

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

AMENDMENT NO. 3833

At the end, add the following:

SEC. ___. ELIMINATION OF MARRIAGE PENALTY FOR INDIVIDUALS SUFFERING CASUALTY LOSSES.

(a) IN GENERAL.—Subparagraph (B) of section 165(h)(4) of the Internal Revenue Code of 1986 (relating to special rules) is amended to read as follows:

''(B) JOINT RETURNS.—For purposes of this subsection—

''(i) IN GENERAL.—Except as provided in clause (ii), a husband and wife making a joint return for the taxable year shall be treated as 1 individual.

''(ii) ELECTION.—A husband and wife may elect to have each be treated as a single individual for purposes of applying this section. If an election is made under this clause, the adjusted gross income of each individual shall be determined on the basis of the items of income and deduction properly allocable to the individual, as determined under rules prescribed by the Secretary.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to losses sustained in taxable years beginning after December 31, 2000.

DEATH TAX ELIMINATION ACT

GRASSLEY (AND OTHERS) AMENDMENT NO. 3834

Mr. GRASSLEY (for himself, Mr. CRAIG, Mr. BURNS, Mr. LUGAR, Mr. BROWNBACK, Mr. GRAMS, and Mr. HARKIN) proposed an amendment to the bill, H.R. 8, supra; as follows:

At the end of the bill, add the following:

TITLE VI—TAX RELIEF FOR FARMERS

SEC. 601. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following:

''SEC. 468C. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming business or commercial fishing, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm,

Fishing, and Ranch Risk Management Account (hereinafter referred to as the 'FFARRM Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FFARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business or commercial fishing.

''(2) DISTRIBUTIONS.—Distributions from a FFARRM Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) ELIGIBLE FARMING BUSINESS.—The term 'eligible farming business' means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(2) COMMERCIAL FISHING.—The term 'commercial fishing' has the meaning given such term by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FFARRM ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FFARRM Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FFARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FFARRM Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

''(iii) subparagraph (A) or (B) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FFARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FFARRM Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FFARRM Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business or commercial fishing, there shall be deemed distributed from the FFARRM Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business or commercial fishing.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FFARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL.—For purposes of this section, the term 'individual' shall not include an estate or trust.

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FFARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.''.

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following:

''(4) a FFARRM Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 is amended by adding at the end the following:

''(g) EXCESS CONTRIBUTIONS TO FFARRM ACCOUNTS.—For purposes of this section, in the case of a FFARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FFARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''.

(3) The section heading for section 4973 is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''.

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''.

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following:

''(6) SPECIAL RULE FOR FFARRM ACCOUNTS.—A person for whose benefit a FFARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FFARRM Account by reason of the application of section 468C(f)(3)(A) to such account.''.

(2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following:

''(E) a FFARRM Account described in section 468C(d),''.

(d) FAILURE TO PROVIDE REPORTS ON FFARRM ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following:

''(C) section 468C(g) (relating to FFARRM Accounts),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following:

''Sec. 468C. Farm, Fishing and Ranch Risk Management Accounts.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 602. WRITTEN AGREEMENT RELATING TO EXCLUSION OF CERTAIN FARM RENTAL INCOME FROM NET EARNINGS FROM SELF-EMPLOYMENT.

(a) INTERNAL REVENUE CODE.—Section 1402(a)(1)(A) (relating to net earnings from self-employment) is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(b) SOCIAL SECURITY ACT.—Section 211(a)(1)(A) of the Social Security Act is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 603. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

SEC. 604. EXEMPTION OF AGRICULTURAL BONDS FROM STATE VOLUME CAP.

(a) IN GENERAL.—Section 146(g) (relating to exception for certain bonds) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by inserting after paragraph (4) the following:

''(5) any qualified small issue bond described in section 144(a)(12)(B)(ii).''.

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

SEC. 605. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new paragraph:

''(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

''(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received by the controlling organization that exceeds the amount which would have been paid if such payment met the requirements prescribed under section 482.

''(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of such excess.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 2000.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 do not apply to any amount received or accrued after the date of the enactment of this Act under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2001.

SEC. 606. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food, paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a corporation.

''(B) LIMIT ON REDUCTION.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph)—

''(i) paragraph (3)(B) shall not apply, and

''(ii) the reduction under paragraph (1)(A) for such contribution shall be no greater than the amount (if any) by which the amount of such contribution exceeds twice the basis of such food.

''(C) DETERMINATION OF BASIS.—For purposes of this paragraph, if a taxpayer uses the cash method of accounting, the basis of any qualified contribution of such taxpayer shall be deemed to be 50 percent of the fair market value of such contribution.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

''(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).''.

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

SEC. 607. INCOME AVERAGING FOR FARMERS AND FISHERMEN NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS AND FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of farm and fishing income) shall not apply in computing the regular tax.''.

(b) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(1) IN GENERAL.—Section 1301(a) is amended by striking ''farming business'' and inserting ''farming business or fishing business,''.

(2) DEFINITION OF ELECTED FARM INCOME.—

(A) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting ''or fishing business'' before the semicolon.

(B) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting ''or fishing business'' after ''farming business'' both places it occurs.

(3) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 608. REPEAL OF MODIFICATION OF INSTALLMENT METHOD.

(a) IN GENERAL.—Subsection (a) of section 536 of the Ticket to Work and Work Incentives Improvement Act of 1999 (relating to modification of installment method and repeal of installment method for accrual method taxpayers) is repealed effective with respect to sales and other dispositions occurring on or after the date of the enactment of such Act.

(b) APPLICABILITY.—The Internal Revenue Code of 1986 shall be applied and administered as if such subsection (and the amendments made by such subsection) had not been enacted.

SEC. 609. COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.

(a) IN GENERAL.—Section 1388 (relating to definitions and special rules) is amended by adding at the end the following:

''(k) COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.—For purposes of section 521 and this subchapter, 'marketing the products of members or other producers' includes feeding the products of members or other producers to cattle, hogs, fish, chickens, or other animals and selling the resulting animals or animal products.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 610. DECLARATORY JUDGMENT RELIEF FOR SECTION 521 COOPERATIVES.

(a) IN GENERAL.—Section 7428(a)(1) (relating to declaratory judgments of tax exempt organizations) is amended by striking ''or'' at the end of subparagraph (B) and by adding at the end the following:

''(D) with respect to the initial qualification or continuing qualification of a cooperative as described in section 521(b) which is exempt from tax under section 521(a), or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to pleadings filed after the date of the enactment of this Act but only with respect to determinations (or requests for determinations) made after January 1, 2000.

SEC. 611. SMALL ETHANOL PRODUCER CREDIT.

(a) ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.—Section 40(g) (relating to alcohol used as fuel) is amended by adding at the end the following:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) ELECTION TO ALLOCATE.—

''(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

''(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

''(iii) SPECIAL RULE FOR 1998 AND 1999.—Notwithstanding clause (ii), an election for any taxable year ending prior to the date of the enactment of the Death Tax Elimination Act of 2000 may be made at any time before the expiration of the 3-year period beginning on the last date prescribed by law for filing the return of the taxpayer for such taxable year (determined without regard to extensions) by filing an amended return for such year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons under subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year,

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage dividends for the taxable year described in subparagraph (A) are included in gross income, and

''(iii) shall be included in gross income of such patrons for the taxable year in the manner and to the extent provided in section 87.

''(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

''(i) such reduction, over

''(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G.''.

(b) IMPROVEMENTS TO SMALL ETHANOL PRODUCER CREDIT.—

(1) SMALL ETHANOL PRODUCER CREDIT NOT A PASSIVE ACTIVITY CREDIT.—Clause (i) of section 469(d)(2)(A) is amended by striking ''subpart D'' and inserting ''subpart D, other than section 40(a)(3),''.

(2) ALLOWING CREDIT AGAINST MINIMUM TAX.—

(A) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) SPECIAL RULES FOR SMALL ETHANOL PRODUCER CREDIT.—

''(A) IN GENERAL.—In the case of the small ethanol producer credit—

''(i) this section and section 39 shall be applied separately with respect to the credit, and

''(ii) in applying paragraph (1) to the credit—

''(I) subparagraphs (A) and (B) thereof shall not apply, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the small ethanol producer credit).

''(B) SMALL ETHANOL PRODUCER CREDIT.—For purposes of this subsection, the term 'small ethanol producer credit' means the credit allowable under subsection (a) by reason of section 40(a)(3).''.

(B) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by inserting ''or the small ethanol producer credit'' after ''employment credit''.

(3) SMALL ETHANOL PRODUCER CREDIT NOT ADDED BACK TO INCOME UNDER SECTION 87.—Section 87 (relating to income inclusion of alcohol fuel credit) is amended to read as follows:

''SEC. 87. ALCOHOL FUEL CREDIT.

''Gross income includes an amount equal to the sum of—

''(1) the amount of the alcohol mixture credit determined with respect to the taxpayer for the taxable year under section 40(a)(1), and

''(2) the alcohol credit determined with respect to the taxpayer for the taxable year under section 40(a)(2).''.

(c) CONFORMING AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations) is amended by adding at the end the following:

''(k) CROSS REFERENCE.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(d) (6).''

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (b) of this section shall apply to taxable years ending after the date of enactment.

(2) PROVISIONS AFFECTING COOPERATIVES AND THEIR PATRONS.—The amendments made by subsections (a) and (c), and the amendments made by paragraphs (2) and (3) of subsection (b), shall apply to taxable years beginning after December 31, 1997.

BAUCUS (AND OTHERS) AMENDMENT NO. 3835

Mr. BAUCUS (for himself, Mr. KERREY, Mr. DORGAN, and Mr. ROBB) proposed an amendment to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—PENSION INCENTIVES

SEC. 201. REFUNDABLE CREDIT TO CERTAIN INDIVIDUALS FOR ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

''(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings

contributions of the eligible individual for the taxable year as do not exceed $1,000.

''(b) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

Adjusted Gross Income						Applicable percentage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
$0	$25,000	$0	$18,750	$0	$12,500	50
25,000	35,000	18,750	26,250	12,500	17,500	45
35,000	45,000	26,250	33,750	17,500	22,500	35
45,000	55,000	33,750	41,250	22,500	27,500	25
55,000	75,000	41,250	56,250	27,500	37,500	15
75,000	80,000	56,250	60,000	37,500	40,000	5
80,000	.....	60,000	.....	40,000	.....	0

''(c) ELIGIBLE INDIVIDUAL.—For purposes of this section—

''(1) IN GENERAL.—The term 'eligible individual' means any individual if—

''(A) such individual has attained the age of 18, but has not attained the age of 61, as of the close of the taxable year, and

''(B) the compensation (as defined in section 219(f)(1)) includible in the gross income of the individual (or, in the case of a joint return, of the taxpayer) for such taxable year is at least $5,000.

''(2) DEPENDENTS AND FULL-TIME STUDENTS NOT ELIGIBLE.—The term 'eligible individual' shall not include—

''(A) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins, and

''(B) any individual who is a student (as defined in section 151(c)(4)).

''(3) INDIVIDUALS RECEIVING CERTAIN RETIREMENT DISTRIBUTIONS NOT ELIGIBLE.—

''(A) IN GENERAL.—The term 'eligible individual' shall not include, with respect to a taxable year, any individual who received during the testing period—

''(i) any distribution from a qualified retirement plan (as defined in section 4974(c)), or from an eligible deferred compensation plan (as defined in section 457(b)), which is includible in gross income, or

''(ii) any distribution from a Roth IRA which is not a qualified rollover contribution (as defined in section 408A(e)) to a Roth IRA.

''(B) TESTING PERIOD.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

''(i) such taxable year,

''(ii) the 2 preceding taxable years, and

''(iii) the period after such taxable year and before the due date (without extensions) for filing the return of tax for such taxable year.

''(C) EXCEPTED DISTRIBUTIONS.—There shall not be taken into account under subparagraph (A)—

''(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4),

''(ii) any distribution to which section 408A(d)(3) applies, and

''(iii) any distribution before January 1, 2002.

''(D) TREATMENT OF DISTRIBUTIONS RECEIVED BY SPOUSE OF INDIVIDUAL.—For purposes of determining whether an individual is an eligible individual for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

''(d) QUALIFIED RETIREMENT SAVINGS CONTRIBUTIONS.—For purposes of this section, the term 'qualified retirement savings contributions' means the sum of—

''(1) the amount of the qualified retirement contributions (as defined in section 219(e)) for the benefit of the eligible individual,

''(2) the amount of the elective deferrals (as defined in section 414(u)(2)(C)) of such individual, and

''(3) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).

''(e) INVESTMENT IN THE CONTRACT.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the last item and inserting the following new items:

''Sec. 35. Elective deferrals and IRA contributions by certain individuals.

''Sec. 36. Overpayments of tax.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 202. CREDIT FOR SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS AND START-UP COSTS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45D. SMALL EMPLOYER PENSION PLAN CREDIT.

''(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan credit determined under this section for any taxable year is an amount equal to the sum of—

''(1) 25 percent of the qualified employer contributions of the taxpayer for the taxable year, and

''(2) the qualified start-up costs paid or incurred by the taxpayer during the taxable year.

''(b) LIMITATIONS.—

''(1) LIMITS ON CONTRIBUTIONS.—For purposes of subsection (a)(1)—

''(A) qualified employer contributions may only be taken into account for each of the first 3 taxable years ending after the date the employer establishes the qualified employer plan to which the contribution is made, and

''(B) the amount of the qualified employer contributions taken into account with respect to any qualified employee for any such taxable year shall not exceed 3 percent of the compensation (as defined in section 414(s)) of the qualified employee for such taxable year.

''(2) LIMITS ON START-UP COSTS.—The amount of the credit determined under subsection (a)(2) for any taxable year shall not exceed—

''(A) $500 for each of the first, second, and third taxable years ending after the date the employer established the qualified employer plan to which such costs relate, and

''(B) zero for each taxable year thereafter.

''(c) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE EMPLOYER.—

''(A) IN GENERAL.—The term 'eligible employer' means, with respect to any year, an employer which has no more than—

''(i) for purposes of subsection (a)(1), 25 employees, and

''(ii) for purposes of subsection (a)(2), 100 employees,

who received at least $5,000 of compensation from the employer for the preceding year.

''(B) 2-YEAR GRACE PERIOD.—An eligible employer who establishes and maintains a qualified employer plan for 1 or more years and who fails to be an eligible employer for any subsequent year shall be treated as an eligible employer for the 2 years following the last year the employer was an eligible employer.

''(C) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if the employer (or any predecessor employer) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for service in the 3 taxable years ending prior to the first taxable year in which the credit under this section is allowed.

''(2) QUALIFIED EMPLOYER CONTRIBUTIONS.—

''(A) IN GENERAL.—The term 'qualified employer contributions' means, with respect to any taxable year, any employer contributions made on behalf of a qualified employee to a qualified employer plan for a plan year ending with or within the taxable year.

''(B) EMPLOYER CONTRIBUTIONS.—The term 'employer contributions' shall not include any elective deferral (within the meaning of section 402(g)(3)).

''(3) QUALIFIED EMPLOYEE.—The term 'qualified employee' means an individual who—

''(A) is eligible to participate in the qualified employer plan to which the employer contributions are made, and

''(B) is not a highly compensated employee (within the meaning of section 414(q)) for the year for which the contribution is made.

''(4) QUALIFIED START-UP COSTS.—The term 'qualified start-up costs' means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

''(A) the establishment or maintenance of a qualified employer plan in which qualified employees are eligible to participate, and

''(B) providing educational information to employees regarding participation in such plan and the benefits of establishing an investment plan.

''(5) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term in section 4972(d).

''(d) SPECIAL RULES.—

''(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All qualified employer plans of an employer shall be treated as 1 qualified employer plan.

''(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowable under this chapter for any qualified start-up costs or qualified employer contributions for which a credit is determined under subsection (a).

''(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.''.

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining

current year business credit) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following new paragraph:

''(13) in the case of an eligible employer (as defined in section 45D(c)), the small employer pension plan credit determined under section 45D(a).''.

(c) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45D. Small employer pension plan credit.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred or contributions made in connection with qualified employer plans established after December 31, 2000.

TITLE III—SOCIAL SECURITY KIDSAVE ACCOUNTS

SEC. 301. SHORT TITLE.

This title may be cited as the ''Social Security KidSave Accounts Act''.

SEC. 302. SOCIAL SECURITY KIDSAVE ACCOUNTS.

Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(1) by inserting before section 201 the following:

''PART A—INSURANCE BENEFITS'';

and

(2) by adding at the end the following:

''PART B—KIDSAVE ACCOUNTS

''KIDSAVE ACCOUNTS

''SEC. 251. (a) ESTABLISHMENT.—The Commissioner of Social Security shall establish in the name of each individual born on or after January 1, 2006, a KidSave Account upon the later of—

''(1) the date of enactment of this part, or

''(2) the date of the issuance of a Social Security account number under section 205(c)(2) to such individual.

The KidSave Account shall be identified to the account holder by means of the account holder's Social Security account number.

''(b) CONTRIBUTIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated and are appropriated such sums as are necessary in order for the Secretary of the Treasury to transfer from the general fund of the Treasury for crediting by the Commissioner to each account holder's KidSave Account under subsection (a), an amount equal to $1000.00, on the date of the establishment of such individual's KidSave Account.

''(2) ADJUSTMENT FOR INFLATION.—For any calendar year after 2010, the dollar amount under paragraph (1) shall be increased by the cost-of-living adjustment determined under section 215(i) for the calendar year.

''(c) DESIGNATIONS REGARDING KIDSAVE ACCOUNTS.—

''(1) INITIAL DESIGNATIONS OF INVESTMENT VEHICLE.—A person described in subsection (d) shall, on behalf of the individual described in subsection (a), designate the investment vehicle for the KidSave Account to which contributions on behalf of such individual are to be deposited. Such designation shall be made on the application for such individual's Social Security account number.

''(2) CHANGES IN INVESTMENT VEHICLES OR TYPES OF KIDSAVE ACCOUNTS.—The Commissioner shall by regulation provide the time and manner by which an individual or a person described in subsection (d) on behalf of such individual may change 1 or more investment vehicles for a KidSave Account.

''(d) TREATMENT OF MINORS AND INCOMPETENT INDIVIDUALS.—Any designation under subsection (c) to be made by a minor, or an individual mentally incompetent or under other legal disability, may be made by the person who is constituted guardian or other fiduciary by the law of the State of residence of the individual or is otherwise legally vested with the care of the individual or his estate. Payment under this part due a minor, or an individual mentally incompetent or under other legal disability, may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. In any case in which a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the individual, if any other person, in the judgment of the Commissioner, is responsible for the care of such individual, any designation under subsection (c) which may otherwise be made by such individual may be made by such person, any payment under this part which is otherwise payable to such individual may be made to such person, and the payment of an annuity payment under this part to such person bars recovery by any other person.

''DEFINITIONS AND SPECIAL RULES

''SEC. 252. For purposes of this part—

''(1) KIDSAVE ACCOUNT.—The term 'KidSave Account' means an account in the KidSave Investment Fund (established under section 253) which is administered by the KidSave Investment Fund Board.

''(2) TREATMENT OF ACCOUNT.—

''(A) IN GENERAL.—Except as otherwise provided in this part and in section 531 of the Internal Revenue Code of 1986, any KidSave Account shall be treated in the same manner as an individual account in the Thrift Savings Fund under subchapter III of chapter 84 of title 5, United States Code.

''(B) EXCEPTIONS.—

''(i) CONTRIBUTION LIMIT.—The aggregate amount of contributions for any taxable year to all KidSave Accounts of an individual shall not exceed the contribution made pursuant to section 251(b) for such year on behalf of such individual.

''(ii) ROLLOVER CONTRIBUTIONS.—No rollover contribution may be made to a KidSave Account unless it is from another KidSave Account. A rollover described in the preceding sentence shall not be taken into account for purposes of clause (i).

''(iii) DISTRIBUTIONS.—Notwithstanding any other provision of law, distributions may only be made from a KidSave Account of an individual on or after the earlier of—

''(I) the date on which the individual begins receiving benefits under this title, or

''(II) the date of the individual's death.

''KIDSAVE INVESTMENT FUND

''SEC. 253. (a) ESTABLISHMENT.—There is established and maintained in the Treasury of the United States a KidSave Investment Fund in the same manner as the Thrift Savings Fund under sections 8437, 8438, and 8439 of title 5, United States Code.

''(b) KIDSAVE INVESTMENT FUND BOARD.—

''(1) IN GENERAL.—There is established and operated in the Social Security Administration a Kidsave Investment Fund Board in the same manner as the Federal Retirement Thrift Investment Board under subchapter VII of chapter 84 of title 5, United States Code.

''(2) SPECIFIC INVESTMENT DUTIES.—The Kidsave Investment Fund shall be managed by the Kidsave Investment Fund Board in the same manner as the Thrift Savings Fund is managed under subchapter VIII of chapter 84 of title 5, United States Code.''.

GRAMS (AND ABRAHAM) AMENDMENT NO. 3836

Mr. GRAMS (for himself and Mr. ABRAHAM) proposed an amendment to the bill, H.R. 8, supra; as follows:

At the end of the bill, add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.—

(1) IN GENERAL.—Paragraph (2) of section 86(a) (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 2000.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2000.

(b) REVENUE OFFSET.—The Secretary of the Treasury shall transfer, for each fiscal year, from the general fund in the Treasury to the Federal Hospital Insurance Trust Fund established under section 1817 of the Social Security Act (42 U.S.C. 1395i) an amount equal to the decrease in revenues to the Treasury for such fiscal year by reason of the amendment made by this section.

DODD (AND OTHERS) AMENDMENT NO. 3837

(Ordered to lie on the table.)

Mr. DODD (for himself, Mr. WELLSTONE, Ms. LANDRIEU, and Mr. KOHL) submitted an amendment to be proposed by them to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—DEPENDENT CARE TAX CREDIT

SEC. 201. EXPANSION OF DEPENDENT CARE TAX CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 21(a) (relating to expenses for household and dependent care services necessary for gainful employment) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 50 percent (40 percent for taxable years beginning after December 31, 2002, and before January 1, 2005) reduced (but not below 20 percent) by 1 percentage point for each $1,000 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $30,000.''

(b) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Notwithstanding subsection (d), in the case of any taxpayer with one or more qualifying individuals described in subsection (b)(1)(A) under the age of 1 at any time during the taxable year, such taxpayer shall be deemed to have employment-related expenses with respect to not more than 2 of such qualifying individuals in an amount equal to the greater of—

''(A) the amount of employment-related expenses incurred for such qualifying individuals for the taxable year (determined under this section without regard to this paragraph), or

''(B) $41.67 for each month in such taxable year during which each such qualifying individual is under the age of 1.''.

(c) INFLATION ADJUSTMENT OF DOLLAR AMOUNTS.—

(1) Section 21 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2001, the $30,000 amount contained in subsection (a), the $2,400 amount in subsection (c), and the $41.67 amount in subsection (e)(11) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

If the increase determined under the preceding sentence is not a multiple of $50 ($5 in the case of the amount in subsection (e)(11)), such amount shall be rounded to the next lowest multiple thereof.''

(2) Paragraph (2) of section 21(c) is amended by striking ''$4,800'' and inserting ''twice the dollar amount applicable under paragraph (1)''.

(3) Paragraph (2) of section 21(d) is amended by striking ''less than—'' and all that follows through the end of the first sentence and inserting ''less than 1/12 of the amount which applies under subsection (c) to the taxpayer for the taxable year.''

(d) CREDIT ALLOWED BASED ON RESIDENCY IN CERTAIN CASES.—Subsection (e) of section 21 is amended by adding at the end the following new paragraph:

''(12) CREDIT ALLOWED BASED ON RESIDENCY IN CERTAIN CASES.—In the case of a taxpayer—

''(A) who does not satisfy the household maintenance test of subsection (a) for any period, but

''(B) whose principal place of abode for such period is also the principal place of abode of any qualifying individual,

then such taxpayer shall be treated as satisfying such test for such period but the amount of credit allowable under this section with respect to such individual shall be determined by allowing only 1/12 of the limitation under subsection (c) for each full month that the requirement of subparagraph (B) is met.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 202. DEPENDENT CARE TAX CREDIT MADE REFUNDABLE.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended—

(1) by redesignating section 35 as section 36, and

(2) by redesignating section 21 as section 35.

(b) ADVANCE PAYMENT OF CREDIT.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following:

''SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

''(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

''(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

''(1) certifies that the employee will be eligible to receive the credit provided by section 35 for the taxable year,

''(2) certifies that the employee reasonably expects to be an applicable taxpayer for the taxable year,

''(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

''(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

''(5) states the number of qualifying individuals in the household maintained by the employee, and

''(6) estimates the amount of employment-related expenses for the calendar year.

''(c) DEPENDENT CARE ADVANCE AMOUNT.—

''(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

''(A) on the basis of the employee's wages from the employer for such period,

''(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

''(C) in accordance with tables provided by the Secretary.

''(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

''(e) DEFINITIONS.—For purposes of this section, terms used in this section which are defined in section 35 shall have the respective meanings given such terms by section 35.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 35(a)(1), as redesignated by paragraph (1), is amended by striking ''chapter'' and inserting ''subtitle''.

(2) Section 35(e), as so redesignated and amended by subsection (c), is amended by adding at the end the following:

''(13) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply for purposes of this section.''.

(3) Sections 23(f)(1) and 129(a)(2)(C) are each amended by striking ''section 21(e)'' and inserting ''section 35(e)''.

(4) Section 129(b)(2) is amended by striking ''section 21(d)(2)'' and inserting ''section 35(d)(2)''.

(5) Section 129(e)(1) is amended by striking ''section 21(b)(2)'' and inserting ''section 35(b)(2)''.

(6) Section 213(e) is amended by striking ''section 21'' and inserting ''section 35''.

(7) Section 995(f)(2)(C) is amended by striking ''and 34'' and inserting ''34, and 35''.

(8) Section 6211(b)(4)(A) is amended by striking ''and 34'' and inserting '', 34, and 35''.

(9) Section 6213(g)(2)(H) is amended by striking ''section 21'' and inserting ''section 35''.

(10) Section 6213(g)(2)(L) is amended by striking ''section 21, 24, or 32'' and inserting ''section 24, 32, or 35''.

(11) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

''Sec. 35. Dependent care services.

''Sec. 36. Overpayments of tax.''.

(12) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(13) The table of sections for chapter 25 is amended by adding after the item relating to section 3507 the following:

''Sec. 3507A. Advance payment of dependent care credit.''.

(14) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period '', or enacted by the Death Tax Elimination Act of 2000''.

(d) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 2002.

TITLE III—EXPANSION OF ADOPTION CREDIT

SEC. 301. EXPANSION OF ADOPTION CREDIT.

(a) SPECIAL NEEDS ADOPTION.—

(1) CREDIT AMOUNT.—Paragraph (1) of section 23(a) (relating to allowance of credit) is amended to read as follows:

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

''(A) in the case of a special needs adoption, $10,000, or

''(B) in the case of any other adoption, the amount of the qualified adoption expenses paid or incurred by the taxpayer.''.

(2) YEAR CREDIT ALLOWED.—Section 23(a)(2) (relating to year credit allowed) is amended by adding at the end the following new flush sentence:

''In the case of a special needs adoption, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.''.

(3) DOLLAR LIMITATION.—Section 23(b)(1) is amended—

(A) by striking ''subsection (a)'' and inserting ''subsection (a)(1)(B)'', and

(B) by striking ''($6,000, in the case of a child with special needs)''.

(4) DEFINITION OF SPECIAL NEEDS ADOPTION.—Section 23(d) (relating to definitions) is amended by adding at the end the following new paragraph:

''(4) SPECIAL NEEDS ADOPTION.—The term 'special needs adoption' means the final adoption of an individual during the taxable year who is an eligible child and who is a child with special needs.''.

(5) DEFINITION OF CHILD WITH SPECIAL NEEDS.—Section 23(d)(3) (defining child with special needs) is amended to read as follows:

''(3) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means any child if a State has determined that the child's ethnic background, age, membership in a minority or sibling groups, medical condition or physical impairment, or emotional handicap makes some form of adoption assistance necessary.''.

(b) INCREASE IN INCOME LIMITATIONS.—Section 23(b)(2) (relating to income limitation) is amended—

(1) in subparagraph (A)—

(A) by striking ''$75,000'' and inserting ''$63,550 ($105,950 in the case of a joint return)'', and

(B) by striking ''$40,000'' and inserting ''the applicable amount'', and

(2) by adding at the end the following new subparagraph:

''(C) APPLICABLE AMOUNT.—For purposes of subparagraph (A), the applicable amount, with respect to any taxpayer, for the taxable year shall be an amount equal to the excess of—

''(i) the maximum taxable income amount for the 31 percent bracket under the table contained in section 1 relating to such taxpayer and in effect for the taxable year, over

''(ii) the dollar amount in effect with respect to the taxpayer for the taxable year under subparagraph (A)(i).

''(D) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of a taxable year beginning after 2001, each dollar amount under subparagraph (A)(i) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.''.

(c) ADOPTION CREDIT MADE PERMANENT.—Subclauses (A) and (B) of section 23(d)(2) (defining eligible child) are amended to read as follows:

''(A) who has not attained age 18, or

''(B) who is physically or mentally incapable of caring for himself.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 23(a)(2) is amended by striking ''(1)'' and inserting ''(1)(B)''.

(2) Section 23(b)(3) is amended by striking ''(a)'' each place it appears and inserting ''(a)(1)(B)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

TITLE IV—INCENTIVES FOR EMPLOYER-PROVIDED CHILD CARE

SEC. 401. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to the sum of—

''(1) 25 percent of the qualified child care expenditures, and

''(2) 10 percent of the qualified child care resource and referral expenditures,

of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(i) to acquire, construct, rehabilitate, or expand property—

''(I) which is to be used as part of an eligible qualified child care facility of the taxpayer,

''(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(III) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(ii) for the operating costs of an eligible qualified child care facility of the taxpayer, including costs related to the training of employees of the child care facility, to scholarship programs, to the providing of differential compensation to employees based on level of child care training, and to expenses associated with achieving accreditation, or

''(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care expenditure' shall not include any amount expended in relation to any child care services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) ELIGIBLE QUALIFIED CHILD CARE FACILITY.—A qualified child care facility shall be treated as an eligible qualified child care facility with respect to the taxpayer if—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer, and

''(iii) at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(C) APPLICATION OF SUBPARAGRAPH (B).—In the case of a new facility, the facility shall be treated as meeting the requirement of subparagraph (B)(iii) if not later than 2 years after placing such facility in service at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(3) QUALIFIED CHILD CARE RESOURCE AND REFERRAL EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care resource and referral expenditure' means any amount paid or incurred under a contract to provide child care resource and referral services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care resource and referral expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care resource and referral expenditure' shall not include any amount expended in relation to any child care resource and referral services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any eligible qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

''If the recapture event occurs in:	**The applicable recapture percentage is:**
Year 1	100
Year 2	80
Year 3	60
Year 4	40
Year 5	20
Years 6 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the eligible qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as an eligible qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in an eligible qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended—

(A) by striking out ''plus'' at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following new paragraph:

''(13) the employer-provided child care credit determined under section 45D.''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45D. Employer-provided child care credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SANTORUM (AND OTHERS) AMENDMENT NO. 3838

(Ordered to lie on the table.)

Mr. SANTORUM (for himself, Mr. LIEBERMAN, Mr. ABRAHAM, Mr. HUTCHINSON, Mr. TORRICELLI, Mr. DEWINE, Mr. KOHL, Ms. LANDRIEU, and Mr. KERRY) submitted an amendment intended to be proposed by them to the bill, H.R. 8, supra; as follows:

At the end, add the following:

DIVISION B—AMERICAN COMMUNITY RENEWAL AND NEW MARKETS EMPOWERMENT

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This division may be cited as the ''American Community Renewal and New Markets Empowerment Act''.

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

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—AMERICAN COMMUNITY RENEWAL

Sec. 101. Designation of and tax incentives for renewal communities.
Sec. 102. Extension of expensing of environmental remediation costs to renewal communities; extension of termination date for renewal communities and empowerment zones.
Sec. 103. Work opportunity credit for hiring youth residing in renewal communities.
Sec. 104. Evaluation and reporting requirements.
Sec. 105. Exclusion of effects of this title from paygo scorecard.

TITLE II—NEW MILLENNIUM CLASSROOMS

Sec. 201. Credit for computer donations to schools, senior centers, public libraries, and other training centers.

TITLE III—EXPANSION AND EXTENSION OF EMPOWERMENT ZONE TAX INCENTIVES

Sec. 301. Authority to designate 9 additional empowerment zones.
Sec. 302. Extension of enterprise zone treatment through 2009.
Sec. 303. 20 percent employment credit for all empowerment zones.
Sec. 304. Increased expensing under section 179.
Sec. 305. Higher limits on tax-exempt empowerment zone facility bonds.
Sec. 306. Nonrecognition of gain on rollover of empowerment zone investments.
Sec. 307. Increased exclusion of gain on sale of empowerment zone investments.
Sec. 308. Funding entitlement for Round II empowerment zones.
Sec. 309. Rules regarding qualified issues.
Sec. 310. Custom user fees.

TITLE IV—FAITH BASED SUBSTANCE ABUSE TREATMENT

Sec. 401. Prevention and treatment of substance abuse; services provided through religious organizations.

TITLE V—HOMEOWNERSHIP

Sec. 501. Transfer of unoccupied and substandard HUD-held housing to local governments and community development corporations.
Sec. 502. Transfer of HUD assets in revitalization areas.
Sec. 503. Risk-sharing demonstration.

TITLE VI—AMERICA'S PRIVATE INVESTMENT COMPANIES

Sec. 601. Short title.
Sec. 602. Findings and purposes.
Sec. 603. Definitions.
Sec. 604. Authorization.
Sec. 605. Selection of APICs.
Sec. 606. Operations of APICs.
Sec. 607. Credit enhancement by the Federal Government.
Sec. 608. APIC requests for guarantee actions.
Sec. 609. Examination and monitoring of APICs.
Sec. 610. Penalties.
Sec. 611. Effective date.
Sec. 612. Sunset.

TITLE VII—NEW MARKETS TAX CREDIT

Sec. 701. New markets tax credit.

TITLE VIII—COMMUNITY DEVELOPMENT AND VENTURE CAPITAL

Sec. 800. Short title.

Subtitle A—New Markets Venture Capital Program

Sec. 801. New Markets Venture Capital Program.

Sec. 802. Bankruptcy exemption for NMVC companies.

Sec. 803. Federal savings associations.

Subtitle B—Community Development Venture Capital Assistance

Sec. 811. Findings and purposes.

Sec. 812. Community development venture capital activities.

Subtitle C—Business LINC

Sec. 821. Grants authorized.

Sec. 822. Regulations.

TITLE IX—BOND VOLUME CAP AND LOW-INCOME HOUSING CREDIT INCREASES

Sec. 901. Increase in State ceiling on private activity bonds.

Sec. 902. Increase in State ceiling on low-income housing credit.

TITLE X—INDIVIDUAL DEVELOPMENT ACCOUNTS

Sec. 1001. Findings.

Sec. 1002. Purposes.

Sec. 1003. Definitions.

Subtitle A—Individual Development Accounts for Low-Income Workers

Sec. 1011. Structure and administration of qualified individual development account programs.

Sec. 1012. Procedures for opening an Individual Development Account and qualifying for matching funds.

Sec. 1013. Contributions to Individual Development Accounts.

Sec. 1014. Deposits by qualified individual development account programs.

Sec. 1015. Withdrawal procedures.

Sec. 1016. Certification and termination of qualified individual development account programs.

Sec. 1017. Reporting, monitoring, and evaluation.

Sec. 1018. Certain account funds of program participants disregarded for purposes of certain means-tested Federal programs.

Subtitle B—Qualified Individual Development Account Program Investment Credits

Sec. 1021. Qualified individual development account program investment credits.

Sec. 1022. CRA credit treatment for qualified individual development account program investments.

Sec. 1023. Designation of earned income tax credit payments for deposit to Individual Development Accounts.

TITLE XI—CHARITABLE CHOICE EXPANSION

Sec. 1101. Provision of assistance under government programs by religious organizations.

TITLE XII—ANTHRACITE REGION REDEVELOPMENT

Sec. 1201. Credit to holders of qualified anthracite region redevelopment bonds.

TITLE I—AMERICAN COMMUNITY RENEWAL

SEC. 101. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

''Part I. Designation.

''Part II. Renewal community capital gain; renewal community business.

''Part III. Additional incentives.

"PART I—DESIGNATION

''Sec. 1400E. Designation of renewal communities.

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

''(a) DESIGNATION.—

''(1) DEFINITIONS.—For purposes of this title, the term 'renewal community' means any area—

''(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

''(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

''(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

''(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

''(2) NUMBER OF DESIGNATIONS.—

''(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 1 nominated area as a renewal community in each State.

''(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under paragraph (1), at least 20 percent must be areas—

''(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

''(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

''(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

''(3) AREAS DESIGNATED BASED ON DEGREE OF POVERTY, ETC.—

''(A) IN GENERAL.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

''(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

''(4) LIMITATION ON DESIGNATIONS.—

''(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

''(i) the procedures for nominating an area under paragraph (1)(A),

''(ii) the parameters relating to the size and population characteristics of a renewal community, and

''(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

''(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

''(C) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

''(i) the local governments and the States in which the nominated area is located have the authority—

''(I) to nominate such area for designation as a renewal community,

''(II) to make the State and local commitments described in subsection (d), and

''(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

''(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

''(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

''(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

''(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

''(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on January 1, 2001, and ending on the earliest of—

''(A) December 31, 2009,

''(B) the termination date designated by the State and local governments in their nomination, or

''(C) the date the Secretary of Housing and Urban Development revokes such designation.

''(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

''(A) has modified the boundaries of the area, or

''(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

''(c) AREA AND ELIGIBILITY REQUIREMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

''(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

''(A) the area is within the jurisdiction of one or more local governments,

''(B) the boundary of the area is continuous, and

''(C) the area—

''(i) has a population, of at least—

''(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

''(II) 1,000 in any other case, or

''(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

''(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

''(A) the area is one of pervasive poverty, unemployment, and general distress,

''(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

''(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

''(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

''(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

''(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

''(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

''(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

''(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

''(B) the economic growth promotion requirements of paragraph (3) are met.

''(2) COURSE OF ACTION.—

''(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least 4 of the following:

''(i) A reduction of tax rates or fees applying within the renewal community.

''(ii) An increase in the level of efficiency of local services within the renewal community.

''(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

''(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

''(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

''(vi) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

''(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

''(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State (respectively) have repealed, will not enforce, or will reduce within the area at least 4 of the following if such area is designated as a renewal community:

''(A) Licensing requirements for occupations that do not ordinarily require a professional degree.

''(B) Zoning restrictions on home-based businesses which do not create a public nuisance.

''(C) Permit requirements for street vendors who do not create a public nuisance.

''(D) Zoning or other restrictions that impede the formation of schools or child care centers.

''(E) Franchises or other restrictions on competition for businesses providing public services, including taxicabs, jitneys, cable television, or trash hauling.

This paragraph shall not apply to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

''(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—

''(1) IN GENERAL.—For purposes of this title, the designation under section 1391 of any area as an empowerment zone or enterprise community shall cease to be in effect as of the date that any portion of such area is designated as a renewal community.

''(2) SPECIAL RULE FOR WAGE CREDIT.—For purposes of section 1400H (relating to renewal community employment credit)—

''(A) there shall not be taken into account wages taken into account under section 1396 (without regard to section 1400H), and

''(B) the $15,000 amount in section 1396(c) shall (in applying section 1400H) be reduced for any calendar year by the amount of wages paid or incurred during such year which are taken into account in determining the credit under section 1396 (without regard to section 1400H).

''(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

''(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

''(2) LOCAL GOVERNMENT.—The term 'local government' means—

''(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State, and

''(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development.

''(3) STATE.—The term 'State' means the several States.

''(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS.—The rules of sections 1392(b)(4) shall apply.

''(5) CENSUS DATA.—Population and poverty rate shall be determined by using 1990 census data.

"PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

''Sec. 1400F. Renewal community capital gain.

''Sec. 1400G. Renewal community business defined.

"SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

''(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

''(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified community asset' means—

''(A) any qualified community stock,

''(B) any qualified community partnership interest, and

''(C) any qualified community business property.

''(2) QUALIFIED COMMUNITY STOCK.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'qualified community stock' means any stock in a domestic corporation if—

''(i) such stock is acquired by the taxpayer after December 31, 2000, and before January 1, 2010, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

''(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

''(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

''(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

''(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term 'qualified community partnership interest' means any capital or profits interest in a domestic partnership if—

''(A) such interest is acquired by the taxpayer after December 31, 2000, and before January 1, 2010, from the partnership solely in exchange for cash,

''(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

''(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

''(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

''(A) IN GENERAL.—The term 'qualified community business property' means tangible property if—

''(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2000, and before January 1, 2010,

''(ii) the original use of such property in the renewal community commences with the taxpayer, and

''(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

''(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

''(i) property which is substantially improved by the taxpayer before January 1, 2010, and

''(ii) any land on which such property is located.

The determination of whether a property is substantially improved shall be made under clause (ii) of section 1400B(b)(4)(B), except that 'December 31, 2000' shall be substituted for 'December 31, 1997' in such clause.

''(c) QUALIFIED CAPITAL GAIN.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified capital gain'means any gain recognized on the sale or exchange of—

''(A) a capital asset, or

''(B) property used in the trade or business (as defined in section 1231(b).

''(2) GAIN BEFORE 2001 OR AFTER 2014 NOT QUALIFIED.—The term 'qualified capital gain' shall not include any gain attributable to periods before January 1, 2001, or after December 31, 2014.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (3), (4), and (5) of section 1400B(e) shall apply for purposes of this subsection.

''(d) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (f) and (g), of section 1400B shall apply; except that for such purposes section 1400B(g)(2) shall be applied by substituting 'January 1, 2001' for 'January 1, 1998' and 'December 31, 2014' for 'December 31, 2007'.

"SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

''For purposes of this subchapter, the term 'renewal community business' means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397C if references to renewal communities were substituted for references to empowerment zones in such section.

"PART III—ADDITIONAL INCENTIVES

''Sec. 1400H. Renewal community employment credit.

''Sec. 1400I. Commercial revitalization deduction.

''Sec. 1400J. Increase in expensing under section 179.

"SEC. 1400H. RENEWAL COMMUNITY EMPLOYMENT CREDIT.

''(a) IN GENERAL.—Subject to the modification in subsection (b), a renewal community shall be treated as an empowerment zone for purposes of section 1396.

''(b) MODIFICATION.—In applying section 1396 with respect to renewal communities, the applicable percentage shall be—

''(1) 15 percent in the case of calendar years 2001, 2002, 2003, or 2004, and

''(2) 20 percent in the case of calendar years after 2004 and before 2010.

"SEC. 1400I. COMMERCIAL REVITALIZATION DEDUCTION.

''(a) GENERAL RULE.—At the election of the taxpayer, either—

''(1) one-half of any qualified revitalization expenditures chargeable to capital account with respect to any qualified revitalization building shall be allowable as a deduction for the taxable year in which the building is placed in service, or

''(2) a deduction for all such expenditures shall be allowable ratably over the 120-month period beginning with the month in which the building is placed in service.

''(b) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

''(1) QUALIFIED REVITALIZATION BUILDING.—The term 'qualified revitalization building' means any building (and its structural components) if—

''(A) such building is located in a renewal community and is placed in service after December 31, 2000,

''(B) a commercial revitalization deduction amount is allocated to the building under subsection (d), and

''(C) depreciation is allowable with respect to the building (without regard to this section).

''(2) QUALIFIED REVITALIZATION EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified revitalization expenditure' means any amount properly chargeable to capital account—

''(i) for property for which depreciation is allowable under section 168 (without regard to this section) and which is—

''(I) nonresidential real property, or

''(II) an addition or improvement to property described in subclause (I),

''(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation, and

''(iii) for land (including land which is functionally related to such property and subordinate thereto).

''(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

''(i) $10,000,000, reduced by

''(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the deduction under this section for all preceding taxable years.

''(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term 'qualified revitalization expenditure' does not include—

''(i) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

''(ii) CREDITS.—Any expenditure which the taxpayer may take into account in computing any credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

''(c) LIMITATION ON AGGREGATE EXPENDITURES ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

''(1) IN GENERAL.—The aggregate qualified revitalization expenditures chargeable to capital account with respect to any building which may be taken into account in determining the deduction under this section with respect to such building shall not exceed the commercial revitalization expenditure amount allocated to such building under this subsection by the commercial revitalization agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

''(2) COMMERCIAL REVITALIZATION EXPENDITURE AMOUNT FOR AGENCIES.—

''(A) IN GENERAL.—The aggregate commercial revitalization expenditure amount which a commercial revitalization agency may allocate for any calendar year is the amount of the State commercial revitalization expenditure ceiling determined under this paragraph for such calendar year for such agency.

''(B) STATE COMMERCIAL REVITALIZATION EXPENDITURE CEILING.—The State commercial revitalization expenditure ceiling applicable to any State—

''(i) for each calendar year after 2000 and before 2010 is $12,000,000 for each renewal community in the State, and

''(ii) for each calendar year thereafter is zero.

''(C) COMMERCIAL REVITALIZATION AGENCY.—For purposes of this section, the term 'commercial revitalization agency' means any agency authorized by a State to carry out this section.

''(d) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION AGENCIES.—

''(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization deduction amount with respect to any building shall be zero unless—

''(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

''(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

''(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term 'qualified allocation plan' means any plan—

''(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization agency which are appropriate to local conditions,

''(B) which considers—

''(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

''(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

''(iii) the active involvement of residents and nonprofit groups within the renewal community, and

''(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

''(e) SPECIAL RULES.—

''(1) DEDUCTION IN LIEU OF DEPRECIATION.—The deduction provided by this section for qualified revitalization expenditures shall—

''(A) with respect to the deduction determined under subsection (a)(1), be in lieu of any depreciation deduction otherwise allowable on account of ½ of such expenditures, and

''(B) with respect to the deduction determined under subsection (a)(2), be in lieu of any depreciation deduction otherwise allowable on account of all of such expenditures.

''(2) BASIS ADJUSTMENT, ETC.—For purposes of sections 1016 and 1250, the deduction under this section shall be treated in the same manner as a depreciation deduction.

''(3) SUBSTANTIAL REHABILITATIONS TREATED AS SEPARATE BUILDINGS.—A substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building shall be treated as a separate building for purposes of subsection (a).

''(4) CLARIFICATION OF ALLOWANCE OF DEDUCTION UNDER MINIMUM TAX.—Notwithstanding section 56(a)(1), the deduction under this section shall be allowed in determining alternative minimum taxable income under section 55.

''(f) REGULATIONS.—For purposes of this section, the Secretary shall, by regulations, provide for the application of rules similar to the rules of section 49 and subsections (a) and (b) of section 50.

''(g) TERMINATION.—This section shall not apply to any building placed in service after December 31, 2009.

''SEC. 1400J. INCREASE IN EXPENSING UNDER SECTION 179.

''(a) IN GENERAL.—For purposes of section 1397A—

''(1) a renewal community shall be treated as an empowerment zone,

''(2) a renewal community business shall be treated as an empowerment zone business, and

''(3) qualified renewal property shall be treated as enterprise zone property.

''(b) QUALIFIED RENEWAL PROPERTY.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

''(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 2000, and before January 1, 2010, and

''(B) such property would be qualified zone property (as defined in section 1397D) if references to renewal communities were substituted for references to empowerment zones in section 1397D.

''(2) CERTAIN RULES TO APPLY.—The rules of subsections (a)(2) and (b) of section 1397D shall apply for purposes of this section.''.

(b) EXCEPTION FOR COMMERCIAL REVITALIZATION DEDUCTION FROM PASSIVE LOSS RULES.—

(1) Paragraph (3) of section 469(i) is amended by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively, and by inserting after subparagraph (B) the following new subparagraph:

''(C) EXCEPTION FOR COMMERCIAL REVITALIZATION DEDUCTION.—Subparagraph (A) shall not apply to any portion of the passive activity loss for any taxable year which is attributable to the commercial revitalization deduction under section 1400I.''.

(2) Subparagraph (E) of section 469(i)(3), as redesignated by subparagraph (A), is amended to read as follows:

''(E) ORDERING RULES TO REFLECT EXCEPTIONS AND SEPARATE PHASE-OUTS.—If subparagraph (B), (C), or (D) applies for a taxable year, paragraph (1) shall be applied—

''(i) first to the portion of the passive activity loss to which subparagraph (C) does not apply,

''(ii) second to the portion of the passive activity credit to which subparagraph (B) or (D) does not apply,

''(iii) third to the portion of such credit to which subparagraph (B) applies,

''(iv) fourth to the portion of such loss to which subparagraph (C) applies, and

''(v) then to the portion of such credit to which subparagraph (D) applies.''.

(3)(A) Subparagraph (B) of section 469(i)(6) is amended by striking ''or'' at the end of clause (i), by striking the period at the end of clause (ii) and inserting '', or'', and by adding at the end the following new clause:

''(iii) any deduction under section 1400I (relating to commercial revitalization deduction).''.

(B) The heading for such subparagraph (B) is amended by striking ''OR REHABILITATION CREDIT'' and inserting '', REHABILITATION CREDIT, OR COMMERCIAL REVITALIZATION DEDUCTION''.

(c) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''Subchapter X. Renewal Communities.''.

SEC. 102. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES; EXTENSION OF TERMINATION DATE FOR RENEWAL COMMUNITIES AND EMPOWERMENT ZONES.

(a) EXTENSION.—

(1) IN GENERAL.—Subparagraph (A) of section 198(c)(2) (defining targeted area) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by adding at the end the following new clause:

''(v) any renewal community (as defined in section 1400E).''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to expenditures paid or incurred after December 31, 2000.

(b) EXTENSION OF TERMINATION DATE.—Subsection (h) of section 198 is amended by inserting before the period ''(December 31, 2009, in the case of an empowerment zone or renewal community)''.

SEC. 103. WORK OPPORTUNITY CREDIT FOR HIRING YOUTH RESIDING IN RENEWAL COMMUNITIES.

(a) HIGH-RISK YOUTH.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(b) QUALIFIED SUMMER YOUTH EMPLOYEE.—Clause (iv) of section 51(d)(7)(A) is amended by striking ''empowerment zone or enterprise community'' and inserting ''empowerment zone, enterprise community, or renewal community''.

(c) HEADINGS.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting ''OR COMMUNITY'' in the heading after ''ZONE''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2000.

SEC. 104. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

SEC. 105. EXCLUSION OF EFFECTS OF THIS TITLE FROM PAYGO SCORECARD.

Upon the enactment of this title, the Director of the Office of Management and Budget shall not make any estimates of changes in receipts under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 resulting from the enactment of this title.

TITLE II—NEW MILLENNIUM CLASSROOMS

SEC. 201. CREDIT FOR COMPUTER DONATIONS TO SCHOOLS, SENIOR CENTERS, PUBLIC LIBRARIES, AND OTHER TRAINING CENTERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 48D. CREDIT FOR COMPUTER DONATIONS TO SCHOOLS, SENIOR CENTERS, PUBLIC LIBRARIES, AND OTHER TRAINING CENTERS.

''(a) GENERAL RULE.—For purposes of section 38, the computer donation credit determined under this section is an amount equal to 50 percent of the qualified computer contributions made by the taxpayer during the taxable year as determined after the application of section 170(e)(6)(A) to any entity located in—

''(1) a renewal community designated under section 1400E,

''(2) an empowerment zone or enterprise community designated under section 1391,

''(3) an Indian reservation (as defined in section 168(j)(6)), or

''(4) a low-income community (as defined in subsection (c).

''(b) QUALIFIED COMPUTER CONTRIBUTION.—For purposes of this section, the term 'qualified computer contribution' has the meaning given the term 'qualified elementary or secondary educational contribution' by section 170(e)(6)(B), except that—

''(1) clause (ii) thereof shall be applied—

''(A) by substituting '3 years' for '2 years',

''(B) by inserting 'or reacquired' after 'acquired', and

''(C) by inserting 'for the taxpayer's own use' after 'constructed by the taxpayer',

''(2) clause (iii) thereof shall be applied by inserting ', the person from whom the donor reacquires the property,' after 'the donor',

''(3) such term shall include the contribution of a computer (as defined in section 168(i)(2)(B)(ii)) only if computer software (as defined in section 197(e)(3)(B)) that serves as a computer operating system has been lawfully installed in such computer,

''(4) notwithstanding clauses (i) and (iv) of section 170(e)(6)(B), such term shall include the contribution of computer technology or equipment to—

''(A) multipurpose senior centers (as defined in section 102(35) of the Older Americans Act of 1965 (42 U.S.C. 3002(35), as in effect on the date of the enactment of the

American Community Renewal and New Markets Empowerment Act) described in section 501(c)(3) and exempt from tax under section 501(a) to be used by individuals who have attained 60 years of age to improve job skills in computers,

''(B) a public library (within the meaning of section 213(2)(A) of the Library Services and Technology Act (20 U.S.C. 9122(2)(A), as in effect on the date of the enactment of the American Community Renewal and New Markets Empowerment Act) established and maintained by an entity described in section 170(c)(1), or

''(C) an organization exempt from tax under section 501(a) which provides employment, vocational, and job-training services to individuals with barriers to employment, including welfare recipients and individuals with disabilities, and

''(5) such term shall only include contributions which meet the minimum standards prescribed by the Secretary by regulation, after consultation, at the option of the Secretary, with the National Telecommunications and Information Agency and any other Federal agency with expertise in computer technology.

''(c) LOW-INCOME COMMUNITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'low-income community' means any population census tract if—

''(A)(i) the poverty rate for such tract is at least 20 percent, or

''(ii)(I) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

''(II) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income, and

''(B) the unemployment rate for such tract, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate.

''(2) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates, median family income, and unemployment rates.

''(d) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply.

''(e) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2009.''.

(b) CURRENT YEAR BUSINESS CREDIT CALCULATION.—Section 38(b) (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', plus'', and by adding at the end the following:

''(13) the computer donation credit determined under section 45D(a).''.

(c) DISALLOWANCE OF DEDUCTION BY AMOUNT OF CREDIT.—Section 280C (relating to certain expenses for which credits are allowable) is amended by adding at the end the following:

''(d) CREDIT FOR COMPUTER DONATIONS.—No deduction shall be allowed for that portion of the qualified computer contributions (as defined in section 45D(b)) made during the taxable year that is equal to the amount of credit determined for the taxable year under section 45D(a). In the case of a corporation which is a member of a controlled group of corporations (within the meaning of section 52(a)) or a trade or business which is treated as being under common control with other trades or businesses (within the meaning of section 52(b)), this subsection shall be applied under rules prescribed by the Secretary similar to the rules applicable under subsections (a) and (b) of section 52.''.

(d) LIMITATION ON CARRYBACK.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(9) NO CARRYBACK OF COMPUTER DONATION CREDIT BEFORE EFFECTIVE DATE.—No amount of unused business credit available under section 45D may be carried back to a taxable year beginning on or before the date of the enactment of this paragraph.''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 45C the following:

''Sec. 45D. Credit for computer donations to schools, senior centers, public libraries, and other training centers.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2000.

TITLE III—EXPANSION AND EXTENSION OF EMPOWERMENT ZONE TAX INCENTIVES

SEC. 301. ADDITIONAL EMPOWERMENT ZONE DESIGNATIONS.

Section 1391 is amended by adding at the end the following new subsection:

''(h) ADDITIONAL DESIGNATIONS PERMITTED.—

''(1) IN GENERAL.—In addition to the areas designated under subsections (a) and (g), the appropriate Secretaries may designate in the aggregate an additional 9 nominated areas as empowerment zones under this section, subject to the availability of eligible nominated areas. Of that number, not more than 7 may be designated in urban areas and not more than 2 may be designated in rural areas.

''(2) PERIOD DESIGNATIONS MAY BE MADE AND TAKE EFFECT.—A designation may be made under this subsection after the date of the enactment of this subsection and before January 1, 2001. Subject to subparagraphs (B) and (C) of subsection (d)(1), such designations shall remain in effect during the period beginning on January 1, 2001, and ending on December 31, 2009.

''(3) MODIFICATIONS TO ELIGIBILITY CRITERIA, ETC.—The rules of subsection (g)(3) shall apply to designations under this subsection.

''(4) EMPOWERMENT ZONES WHICH BECOME RENEWAL COMMUNITIES.—The number of areas which may be designated as empowerment zones under this subsection shall be increased by 1 for each area which ceases to be an empowerment zone by reason of section 1400E(e). Each additional area designated by reason of the preceding sentence shall have the same urban or rural character as the area it is replacing.''.

SEC. 302. EXTENSION OF ENTERPRISE ZONE TREATMENT THROUGH 2009.

Subparagraph (A) of section 1391(d)(1) (relating to period for which designation is in effect) is amended to read as follows:

''(A) December 31, 2009,''.

SEC. 303. 20 PERCENT EMPLOYMENT CREDIT FOR ALL EMPOWERMENT ZONES.

(a) 20 PERCENT CREDIT.—Subsection (b) of section 1396 (relating to empowerment zone employment credit) is amended to read as follows:

''(b) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage is 20 percent.''.

(b) ALL EMPOWERMENT ZONES ELIGIBLE FOR CREDIT.—Section 1396 is amended by striking subsection (e).

(c) CONFORMING AMENDMENT.—Subsection (d) of section 1400 is amended to read as follows:

''(d) SPECIAL RULE FOR APPLICATION OF EMPLOYMENT CREDIT.—With respect to the DC Zone, section 1396(d)(1)(B) (relating to empowerment zone employment credit) shall be applied by substituting 'the District of Columbia' for 'such empowerment zone'.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid or incurred after December 31, 2000.

SEC. 304. INCREASED EXPENSING UNDER SECTION 179.

(a) IN GENERAL.—Subparagraph (A) of section 1397A(a)(1) is amended by striking ''$20,000'' and inserting ''$35,000''.

(b) EXPENSING FOR PROPERTY USED IN DEVELOPABLE SITES.—Section 1397A is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2000.

SEC. 305. HIGHER LIMITS ON TAX-EXEMPT EMPOWERMENT ZONE FACILITY BONDS.

(a) IN GENERAL.—Paragraph (3) of section 1394(f) (relating to bonds for empowerment zones designated under section 1391(g)) is amended to read as follows:

''(3) EMPOWERMENT ZONE FACILITY BOND.—For purposes of this subsection, the term 'empowerment zone facility bond' means any bond which would be described in subsection (a) if only empowerment zones were taken into account under sections 1397C and 1397D.'' .

(b) CONFORMING AMENDMENTS.—

(1) Subsection (f) of section 1394 is amended by striking ''new empowerment zone facility bond'' each place it appears and inserting ''empowerment zone facility bond''.

(2) The heading for such subsection is amended to read as follows:

''(f) BONDS FOR EMPOWERMENT ZONES.—''.

(3) Paragraph (1) of section 1394(c) is amended—

(A) by striking ''empowerment zone or'' in subparagraph (A), and

(B) by striking ''empowerment zones and'' in subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2000.

SEC. 306. NONRECOGNITION OF GAIN ON ROLLOVER OF EMPOWERMENT ZONE INVESTMENTS.

(a) IN GENERAL.—Part III of subchapter U of chapter 1 is amended—

(1) by redesignating subpart C as subpart D,

(2) by redesignating sections 1397B and 1397C as sections 1397C and 1397D, respectively, and

(3) by inserting after subpart B the following new subpart:

''Subpart C—Nonrecognition of Gain on Rollover of Empowerment Zone Investments

''Sec. 1397B. Nonrecognition of Gain on Rollover of Empowerment Zone Investments.

"SEC. 1397B. NONRECOGNITION OF GAIN ON ROLLOVER OF EMPOWERMENT ZONE INVESTMENTS.

''(a) NONRECOGNITION OF GAIN.—In the case of any sale of a qualified empowerment zone asset held by the taxpayer for more than 1 year and with respect to which such taxpayer elects the application of this section, gain from such sale shall be recognized only to the extent that the amount realized on such sale exceeds—

''(1) the cost of any qualified empowerment zone asset (with respect to the same zone as the asset sold) purchased by the taxpayer during the 60-day period beginning on the date of such sale, reduced by

''(2) any portion of such cost previously taken into account under this section.

This section shall apply only to gain which is qualified capital gain.

''(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED EMPOWERMENT ZONE ASSET.—

''(A) IN GENERAL.—The term 'qualified empowerment zone asset' means any property which would be a qualified community asset (as defined in section 1400F) if in section 1400F—

''(i) references to empowerment zones were substituted for references to renewal communities, and

''(ii) references to enterprise zone businesses (as defined in section 1397C) were substituted for references to renewal community businesses.

''(B) TREATMENT OF DC ZONE.—

For termination of rollover with respect to the District of Columbia Enterprise Zone for property acquired after December 31, 2002, see section 1400(f).

''(2) QUALIFIED CAPITAL GAIN.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the term 'qualified capital gain'means any gain from the sale or exchange of—

''(i) a capital asset, or

''(ii) property used in the trade or business (as defined in section 1231(b)).

''(B) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (3) and (4) of section 1400B(e) shall apply for purposes of this subsection.

''(3) PURCHASE.—A taxpayer shall be treated as having purchased any property if, but for paragraph (4), the unadjusted basis of such property in the hands of the taxpayer would be its cost (within the meaning of section 1012).

''(4) BASIS ADJUSTMENTS.—If gain from any sale is not recognized by reason of subsection (a), such gain shall be applied to reduce (in the order acquired) the basis for determining gain or loss of any qualified empowerment zone asset which is purchased by the taxpayer during the 60-day period described in subsection (a). This paragraph shall not apply for purposes of section 1202.

''(5) HOLDING PERIOD.—For purposes of determining whether the nonrecognition of gain under subsection (a) applies to any qualified empowerment zone asset which is sold—

''(A) the taxpayer's holding period for such asset and the asset referred to in subsection (a)(1) shall be determined without regard to section 1223, and

''(B) only the first year of the taxpayer's holding period for the asset referred to in subsection (a)(1) shall be taken into account for purposes of paragraphs (2)(A)(iii), (3)(C), and (4)(A)(iii) of section 1400F(b).''

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (23) of section 1016(a) is amended—

(A) by striking ''or 1045'' and inserting ''1045, or 1397B'', and

(B) by striking ''or 1045(b)(4)'' and inserting ''1045(b)(4), or 1397B(b)(4)''.

(2) Paragraph (15) of section 1223 is amended to read as follows:

''(15) Except for purposes of sections 1202(a)(2), 1202(c)(2)(A), 1400B(b), and 1400F(b), in determining the period for which the taxpayer has held property the acquisition of which resulted under section 1045 or 1397B in the nonrecognition of any part of the gain realized on the sale of other property, there shall be included the period for which such other property has been held as of the date of such sale.''

(3) Paragraph (2) of section 1394(b) is amended—

(A) by striking ''section 1397C'' and inserting ''section 1397D'', and

(B) by striking ''section 1397C(a)(2)'' and inserting ''section 1397D(a)(2)''.

(4) Paragraph (3) of section 1394(b) is amended—

(A) by striking ''section 1397B'' each place it appears and inserting ''section 1397C'', and

(B) by striking ''section 1397B(d)'' and inserting ''section 1397C(d)''.

(5) Sections 1400(e) and 1400B(c) are each amended by striking ''section 1397B'' each place it appears and inserting ''section 1397C''.

(6) The table of subparts for part III of subchapter U of chapter 1 is amended by striking the last item and inserting the following new items:

''Subpart C. Nonrecognition of gain on rollover of empowerment zone investments.

''Subpart D. General provisions.''

(7) The table of sections for subpart D of such part III is amended to read as follows:

''Sec. 1397C. Enterprise zone business defined.

''Sec. 1397D. Qualified zone property defined.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to qualified empowerment zone assets acquired after December 31, 2000.

SEC. 307. INCREASED EXCLUSION OF GAIN ON SALE OF EMPOWERMENT ZONE STOCK.

(a) IN GENERAL.—Subsection (a) of section 1202 is amended to read as follows:

''(a) EXCLUSION.—

''(1) IN GENERAL.—In the case of a taxpayer other than a corporation, gross income shall not include 50 percent of any gain from the sale or exchange of qualified small business stock held for more than 5 years.

''(2) EMPOWERMENT ZONE BUSINESSES.—

''(A) IN GENERAL.—In the case of qualified small business stock acquired after the date of the enactment of this paragraph in a corporation which is a qualified business entity (as defined in section 1397C(b)) during substantially all of the taxpayer's holding period for such stock, paragraph (1) shall be applied by substituting '60 percent' for '50 percent'.

''(B) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5) and (7) of section 1400B(b) shall apply for purposes of this paragraph.

''(C) GAIN AFTER 2014 NOT QUALIFIED.—Subparagraph (A) shall not apply to gain attributable to periods after December 31, 2014.''.

(b) CONFORMING AMENDMENT.—Paragraph (8) of section 1(h) is amended by striking ''means'' and all that follows and inserting ''means the excess of—

''(A) the gain which would be excluded from gross income under section 1202 but for the percentage limitation in section 1202(a), over

''(B) the gain excluded from gross income under section 1202.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after December 31, 2000.

SEC. 308. FUNDING ENTITLEMENT FOR ROUND II EMPOWERMENT ZONES.

(a) IN GENERAL.—

(1) ENTITLEMENT.—Section 2007(a)(1) of the Social Security Act (42 U.S.C. 1397f(a)(1)) is amended—

(A) in subparagraph (A), by striking ''in the State; and'' and inserting ''that is in the State and is designated pursuant to section 1391(b) of the Internal Revenue Code of 1986;'';

(B) by adding after subparagraph (B) the following:

''(C)(i) 8 grants under this section for each qualified empowerment zone that is in an urban area in the State and is designated pursuant to section 1391(g) of such Code; and

''(ii) 8 grants under this section for each qualified empowerment zone that is in a rural area in the State and is designated pursuant to section 1391(g) of such Code;

''(D) 8 grants under this section for each qualified enterprise community that is in the State and is designated pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999; and

''(E) 1 grant under this section for each strategic planning community.''.

(2) AMOUNT OF GRANTS.—Section 2007(a)(2) of such Act (42 U.S.C. 1397f(a)(2)) is amended—

(A) in the heading of subparagraph (A), by inserting ''ORIGINAL'' before ''EMPOWERMENT'';

(B) in subparagraph (A), in the matter preceding clause (i), by inserting ''referred to in paragraph (1)(A)'' after ''empowerment zone'';

(C) by redesignating subparagraph (C) as subparagraph (F); and

(D) by inserting after subparagraph (B) the following:

''(C) ADDITIONAL EMPOWERMENT GRANTS.—The amount of the grant to a State under this section for a qualified empowerment zone referred to in paragraph (1)(C) shall be—

''(i) if the zone is in an urban area, $11,675,000 for each of fiscal years 2001 through 2008; or

''(ii) if the zone is in a rural area, $4,600,000 for each of fiscal years 2001 through 2008,

multiplied by the proportion of the population of the zone that resides in the State.

''(D) ADDITIONAL ENTERPRISE COMMUNITY GRANTS.—The amount of the grant to a State under this section for a qualified enterprise community referred to in paragraph (1)(D) shall be $2,750,000, multiplied by the proportion of the population of the community that resides in the State.

''(E) STRATEGIC PLANNING COMMUNITY GRANTS.—The amount of the grant to a State under this section for a strategic planning community shall be $3,000,000, multiplied by the proportion of the population of the community that resides in the State.''.

(3) TIMING OF GRANTS.—Section 2007(a)(3) of such Act (42 U.S.C. 1397f(a)(3)) is amended—

(A) in the heading of subparagraph (A), by inserting ''ORIGINAL'' before ''QUALIFIED'';

(B) in subparagraph (A), in the matter preceding clause (i), by inserting ''referred to in paragraph (1)(A)'' after ''empowerment zone''; and

(C) by adding after subparagraph (B) the following:

''(C) ADDITIONAL QUALIFIED EMPOWERMENT ZONES.—With respect to each qualified empowerment zone referred to in paragraph (1)(C), the Secretary shall make 1 grant under this section to the State in which the zone lies, on the first day of fiscal year 2001 and of each of the 7 succeeding fiscal years.

''(D) ADDITIONAL QUALIFIED ENTERPRISE COMMUNITIES.—With respect to each qualified enterprise community referred to in paragraph (1)(D), the Secretary shall make 1 grant under this section to the State in which the community lies on the first day of fiscal year 2001 and of each of the 7 succeeding fiscal years.

''(E) STRATEGIC PLANNING COMMUNITIES.—With respect to each strategic planning community, the Secretary shall make 1 grant under this section to the State in which the community is located, on October 1, 2001.''.

(4) FUNDING.—Section 2007(a)(4) of such Act (42 U.S.C. 1397f(a)(4)) is amended—

(A) by striking ''(4) FUNDING.—$1,000,000'' and inserting the following:

''(4) FUNDING.—

''(A) ORIGINAL GRANTS.—$1,000,000'';

(B) by inserting ''for empowerment zones and enterprise communities described in subparagraphs (A) and (B) of paragraph (1)'' before the period; and

(C) by adding after and below the end the following:

''(B) ADDITIONAL EMPOWERMENT ZONE GRANTS.—$1,585,000,000 shall be made available to the Secretary for grants under this section for empowerment zones referred to in paragraph (1)(C).

''(C) ADDITIONAL ENTERPRISE COMMUNITY GRANTS.—$55,000,000 shall be made available to the Secretary for grants under this section for enterprise communities referred to in paragraph (1)(D).

''(D) STRATEGIC PLANNING COMMUNITY GRANTS.—$45,000,000 shall be made available to the Secretary for grants under this section for strategic planning communities.''.

(5) DIRECT FUNDING FOR INDIAN TRIBES.—Section 2007(a) of such Act (42 U.S.C. 1397f(a)) is amended by adding at the end the following:

''(5) DIRECT FUNDING FOR INDIAN TRIBES.—

''(A) IN GENERAL.—The Secretary may make a grant under this section directly to the governing body of an Indian tribe if—

''(i) the tribe is identified in the strategic plan of a qualified empowerment zone or qualified enterprise community as the entity that assumes sole or primary responsibility for carrying out activities and projects under the grant; and

''(ii) the grant is to be used for activities and projects that are—

''(I) included in the strategic plan of the qualified empowerment zone or qualified enterprise community, consistent with this section; and

''(II) approved by the Secretary of Agriculture, in the case of a qualified empowerment zone or qualified enterprise community in a rural area, or the Secretary of Housing and Urban Development, in the case of a qualified empowerment zone or qualified enterprise community in an urban area.

''(B) RULES OF INTERPRETATION.—

''(i) If grant under this section is made directly to the governing body of an Indian tribe under subparagraph (A), the tribe shall be considered a State for purposes of this section.

''(ii) This subparagraph shall not be construed as making applicable to this section the provisions of the Indian Self-Determination and Education Assistance Act.''.

(6) DEFINITIONS.—

(A) QUALIFIED ENTERPRISE COMMUNITY.—Section 2007(f)(2)(A) of such Act (42 U.S.C. 1397f(f)(2)(A)) is amended by inserting ''or pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999'' before the semicolon.

(B) STRATEGIC PLAN.—Section 2007(f)(3) of such Act (42 U.S.C. 1397f(f)(3)) is amended by inserting ''or under section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999'' before the period.

(C) STRATEGIC PLANNING COMMUNITY.—Section 2007(f) of such Act (42 U.S.C. 1397f(f)) is amended by adding at the end the following:

''(7) STRATEGIC PLANNING COMMUNITY.—The term 'strategic planning community' means a respondent to the Notice Inviting Applications at 63 Federal Register 19162 (April 16, 1998) whose application was ranked 16th through 30th in the competition that concluded in December 1998.''.

(D) INDIAN TRIBE.—Section 2007(f) of such Act (42 U.S.C. 1397f(f)), as amended by subparagraph (C), is amended by adding at the end the following:

''(8) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.''.

(b) USE OF GRANT FUNDS.—

(1) REVOLVING LOAN ACTIVITIES.—Section 2007(b) of the Social Security Act (42 U.S.C. 1397f(b)) is amended by adding at the end the following:

''(5) REVOLVING LOAN ACTIVITIES.—

''(A) IN GENERAL.—In order to assist disadvantaged adults and youths in achieving and maintaining economic self-support, a State may use amounts paid under this section to fund revolving loan funds or similar arrangements for the purpose of making loans to residents, institutions, organizations, or businesses that hire disadvantaged adults and youths.

''(B) RULES FOR DISBURSEMENT.—Amounts to be used as described in subparagraph (A) shall be disbursed by the Secretary, consistent with the provisions of the Cash Management Improvement Act and its implementing rules, regulations, and procedures issued by the Secretary of the Treasury—

''(i) in the case of a grant to a revolving loan fund—

''(I) pursuant to a written irrevocable grant commitment; and

''(II) at such time or times as the Secretary determines that the funds are needed to meet the purposes of such commitment; or

''(ii) in the case of a grant for purposes of capitalizing an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) or an insured credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1742)), at such time or times as the Secretary determines that funds are needed for such capitalization.''.

(2) USE AS NON-FEDERAL SHARE.—Section 2007(b) of such Act (42 U.S.C. 1397f(b)), as amended by paragraph (1), is amended by adding at the end the following:

''(6) A State may use amounts received from a grant under this section to pay all or part of the non-Federal share of expenditures under any other Federal grant to a local public or nonprofit private agency or organization for activities consistent with the purposes of this section, unless the statutory authority for such other grant expressly prohibits counting of Federal grant funds as such non-Federal share.''.

(c) ENVIRONMENTAL REVIEW.—Section 2007 of the Social Security Act (42 U.S.C. 1397f) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following:

''(f) ENVIRONMENTAL REVIEW.—

''(1) EXECUTION OF RESPONSIBILITY BY THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT AND THE SECRETARY OF AGRICULTURE.—

''(A) APPLICABILITY.—This subsection shall apply to grants under this section in connection with empowerment zones, enterprise communities, and strategic planning communities (as defined in subsection (g)).

''(B) EXECUTION OF RESPONSIBILITY.—With respect to grants described in subparagraph (A), the Secretary of Housing and Urban Development and the Secretary of Agriculture, as appropriate, shall execute the responsibilities under the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act (as specified in regulations issued by each such Secretary under paragraph (2)(B)) that would otherwise apply to the Secretary of Health and Human Services, and may provide for the assumption of such responsibilities in accordance with paragraphs (2) through (5).

''(C) DEFINITION OF SECRETARY.—Except as otherwise specified, in this subsection, the term 'Secretary' means the Secretary of Housing and Urban Development for purposes of grants under this section with respect to qualified empowerment zones and qualified enterprise communities in urban areas, and strategic planning areas, and the Secretary of Agriculture for purposes of grants under this section with respect to qualified empowerment zones and qualified enterprise communities in rural areas.

''(2) ASSUMPTION OF RESPONSIBILITY BY STATES, UNITS OF GENERAL LOCAL GOVERNMENT, AND INDIAN TRIBES.—

''(A) RELEASE OF FUNDS.—In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary under subparagraph (B)) are most effectively implemented in connection with the expenditure of funds under this section, and to assure to the public undiminished protection of the environment, the Secretary may, under such regulations, in lieu of the environmental protection procedures otherwise applicable, provide for the release of funds for particular projects to recipients of assistance under this section if the State, unit of general local government, or Indian tribe, as designated by the Secretary in accordance with regulations issued by the Secretary under subparagraph (B), assumes all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would otherwise apply to the Secretary were the Secretary to undertake such projects as Federal projects.

''(B) IMPLEMENTATION.—The Secretary of Housing and Urban Development and the Secretary of Agriculture shall each issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality. Such regulations shall—

''(i) specify any other provisions of law that further the purposes of the National Environmental Policy Act of 1969 and to which the assumption of responsibility as provided in this subsection applies;

''(ii) provide eligibility criteria and procedures for the designation of a State, unit of general local government, or Indian tribe to assume all of the responsibilities described in subparagraph (A);

''(iii) specify the purposes for which funds may be committed without regard to the procedure established under paragraph (3);

''(iv) provide for monitoring of the performance of environmental reviews under this subsection;

''(v) in the discretion of the Secretary, provide for the provision or facilitation of training for such performance; and

''(vi) subject to the discretion of the Secretary, provide for suspension or termination by the Secretary of the assumption under subparagraph (A).

''(C) RESPONSIBILITIES OF STATE, UNIT OF GENERAL LOCAL GOVERNMENT, OR INDIAN TRIBE.—The Secretary's duty under subparagraph (B) shall not be construed to limit any responsibility assumed by a State, unit of general local government, or Indian tribe with respect to any particular release of funds under subparagraph (A).

''(3) PROCEDURE.—The Secretary shall approve the release of funds for projects subject to the procedures authorized by this subsection only if, not less than 15 days prior to such approval and prior to any commitment of funds to such projects (except for such purposes specified in the regulations issued under paragraph (2)(B)), the recipient submits to the Secretary a request for such release accompanied by a certification of the State, unit of general local government, or Indian tribe that meets the requirements of paragraph (4). The approval by the Secretary of any such certification shall be deemed to satisfy the Secretary's responsibilities pursuant to paragraph (1) under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for projects to be carried out pursuant thereto that are covered by such certification.

''(4) CERTIFICATION.—A certification under the procedures authorized by this subsection shall—

''(A) be in a form acceptable to the Secretary;

''(B) be executed by the chief executive officer or other officer of the State, unit of general local government, or Indian tribe who qualifies under regulations of the Secretary;

''(C) specify that the State, unit of general local government, or Indian tribe under this subsection has fully carried out its responsibilities as described under paragraph (2); and

''(D) specify that the certifying officer—

''(i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provisions of law apply pursuant to paragraph (2); and

''(ii) is authorized and consents on behalf of the State, unit of general local government, or Indian tribe and himself or herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities as such an official.

''(5) APPROVAL BY STATES.—In cases in which a unit of general local government carries out the responsibilities described in paragraph (2), the Secretary may permit the State to perform those actions of the Secretary described in paragraph (3). The performance of such actions by the State, where permitted, shall be deemed to satisfy the responsibilities referred to in the second sentence of paragraph (3).''.

SEC. 309. RULES REGARDING QUALIFIED ISSUES.

(a) IN GENERAL.—In the case of a qualified issue (as defined in subsection (c)), section 1394(c)(1) of the Internal Revenue Code of 1986 shall be applied by substituting ''$200,000,000'' for the dollar amounts contained in such section, and section 1394(a) of such Code shall be applied by treating a qualified facility (as defined in subsection (c)) as an enterprise zone facility without regard to the requirements of subsections (b) and (e) of section 1394 of such Code.

(b) SPECIAL RULES REGARDING QUALIFIED ISSUES.—A qualified issue—

(1) shall not be treated as an issue of private activity bonds for purposes of sections 57(a)(5) and 146(a) of the Internal Revenue Code of 1986;

(2) shall be subject to section 147(e) of such Code determined without regard to the phrase ''skybox or other private luxury box'';

(3) shall not cause the qualified facility to be treated as tax-exempt use property or tax-exempt bond financed property for purposes of section 168(g) of such Code; and

(4) shall be treated as financing capital expenditures relating to the qualified facility (to the extent such capital expenditures were actually paid in an amount not exceeding the amount of the indebtedness being refinanced) without regard to any regulations pertaining to the allocation of bond proceeds to expenses (including expenses paid prior to the issuance of the bonds).

(c) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED ISSUE.—The term ''qualified issue'' means an issue of bonds (including an issue in a series of refunding issues) issued to refinance the outstanding indebtedness incurred in connection with a qualified facility.

(2) QUALIFIED FACILITY.—The term ''qualified facility'' means an enclosed, mixed-use entertainment, conference, and sports complex located in the District of Columbia Enterprise Zone, which held its first professional sports event on December 2, 1997, including all related facilities and costs.

SEC. 310. CUSTOMS USER FEES.

Section 13031(j)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)) is amended by striking ''2003'' and inserting ''2008''.

TITLE IV—FAITH BASED SUBSTANCE ABUSE TREATMENT

SEC. 401. PREVENTION AND TREATMENT OF SUBSTANCE ABUSE; SERVICES PROVIDED THROUGH RELIGIOUS ORGANIZATIONS.

Title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by adding at the end the following part:

''PART G—SERVICES PROVIDED THROUGH RELIGIOUS ORGANIZATIONS

''SEC. 581. APPLICABILITY TO DESIGNATED PROGRAMS.

''(a) DESIGNATED PROGRAMS.—Subject to subsection (b), this part applies to discretionary and formula grant programs administered by the Substance Abuse and Mental Health Services Administration that make awards of Federal financial assistance to public or private entities for the purpose of carrying out activities to prevent or treat substance abuse (in this part referred to as a 'designated program'). Designated programs include the program under subpart II of part B of title XIX (relating to formula grants to the States).

''(b) LIMITATION.—This part does not apply to any award of Federal financial assistance under a designated program for a purpose other than the purpose specified in subsection (a).

''(c) DEFINITIONS.—For purposes of this part (and subject to subsection (b)):

''(1) The term 'designated award recipient' means a public or private entity that has received an award of financial assistance under a designated program (whether the award is a designated direct award or a designated subaward).

''(2) The term 'designated direct award' means an award of financial assistance under a designated program that is received directly from the Federal Government.

''(3) The term 'designated subaward' means an award of financial assistance made by a non-Federal entity, which award consists in whole or in part of Federal financial assistance provided through an award under a designated program.

''(4) The term 'designated program' has the meaning given such term in subsection (a).

''(5) The term 'financial assistance' means a grant, cooperative agreement, contract, or voucherized assistance.

''(6) The term 'program beneficiary' means an individual who receives program services.

''(7) The term 'program participant' has the meaning given such term in section 582(a)(2).

''(8) The term 'program services' means treatment for substance abuse, or preventive services regarding such abuse, provided pursuant to an award of financial assistance under a designated program.

''(9) The term 'religious organization' means a nonprofit religious organization.

''(10) The term 'voucherized assistance' means—

''(A) a system of selecting and reimbursing program services in which—

''(i) the beneficiary is given a document or other authorization that may be used to pay for program services;

''(ii) the beneficiary chooses the organization that will provide services to him or her according to rules specified by the designated award recipient; and

''(iii) the organization selected by the beneficiary is reimbursed by the designated award recipient for program services provided; or

''(B) any other mode of financial assistance to pay for program services in which the program beneficiary determines the allocation of program funds through his or her selection of one service provider from among alternatives.

''SEC. 582. RELIGIOUS ORGANIZATIONS AS PROGRAM PARTICIPANTS.

''(a) IN GENERAL.—

''(1) SCOPE OF AUTHORITY.—Notwithstanding any other provision of law, a religious organization—

''(A) may be a designated award recipient;

''(B) may make designated subawards to other public or nonprofit private entities (including other religious organizations);

''(C) may provide for the provision of program services to program beneficiaries through the use of voucherized assistance; and

''(D) may be a provider of services under a designated program, including a provider that accepts voucherized assistance.

''(2) DEFINITION OF PROGRAM PARTICIPANT.—For purposes of this part, the term 'program

participant' means a public or private entity that has received a designated direct award, or a designated subaward, regardless of whether the entity provides program services. Such term includes an entity whose only participation in a designated program is to provide program services pursuant to the acceptance of voucherized assistance.

''(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow religious organizations to be program participants on the same basis as any other nonprofit private provider without impairing the religious character of such organizations, and without diminishing the religious freedom of program beneficiaries.

''(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—

''(1) ELIGIBILITY AS PROGRAM PARTICIPANTS.—Religious organizations are eligible to be program participants on the same basis as any other nonprofit private organization as long as the programs are implemented consistent with the Establishment Clause of the First Amendment to the United States Constitution. The Federal Government may under the preceding sentence apply to religious organizations the same eligibility conditions in designated programs as are applied to any nonprofit private organization as long as the conditions are consistent with the Free Exercise Clause of the First Amendment.

''(2) NONDISCRIMINATION.—Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization that is or applies to be a program participant on the basis that the organization has a religious character.

''(d) RELIGIOUS CHARACTER AND FREEDOM.—

''(1) RELIGIOUS ORGANIZATIONS.—Except as provided in this section, any religious organization that is a program participant shall retain its independence from Federal, State, and local government, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

''(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

''(A) alter its form of internal governance; or

''(B) remove religious art, icons, scripture, or other symbols;

in order to be a program participant.

''(e) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 regarding employment practices shall not be affected by its participation in, or receipt of funds from, a designated program.

''(f) RIGHTS OF PROGRAM BENEFICIARIES.—

''(1) IN GENERAL.—With respect to an individual who is a program beneficiary or a prospective program beneficiary, if the individual objects to a program participant on the basis that the participant is a religious organization, the following applies:

''(A) If the organization received a designated direct award, the organization shall refer the individual to an alternative entity that provides program services and shall, to the extent practicable, provide appropriate follow-up services.

''(B) If the organization received a designated subaward, the non-Federal entity that made the subaward shall refer the individual to an alternative entity that provides program services and shall, to the extent practicable, provide appropriate follow-up services.

''(C) If the organization is providing services pursuant to voucherized assistance, the designated award recipient that operates the voucherized assistance program shall refer the individual to an alternative entity that provides program services and shall, to the extent practicable, provide appropriate follow-up services.

''(D) If the local government involved makes available a list of entities in the geographic area that provide program services, the program participant with the responsibility for making the referral under subparagraph (A), (B), or (C), as the case may be, shall obtain a copy of such list and consider the list in making the referral (except that this subparagraph does not apply if the program participant is the local government or the State).

''(E) Referrals under any of subparagraphs (A) through (C) shall be made to alternative entities that will provide program services the monetary value of which is not less than the monetary value of the program services that the individual would have received from the religious organization involved.

''(2) NONDISCRIMINATION.—Except as otherwise provided in law, a religious organization that is a program participant shall not in providing program services discriminate against a program beneficiary on the basis of religion or religious belief.

''(g) FISCAL ACCOUNTABILITY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization that is a program participant shall be subject to the same regulations as other recipients of awards of Federal financial assistance to account, in accordance with generally accepted auditing principles, for the use of the funds provided under such awards.

''(2) LIMITED AUDIT.—With respect to the award involved, if a religious organization that is a program participant maintains the Federal funds in a separate account from non-Federal funds, then only the Federal funds shall be subject to audit.

''(h) COMPLIANCE.—With respect to compliance with this section by an agency, a religious organization may obtain judicial review of agency action in accordance with chapter 7 of title 5, United States Code.

''SEC. 583. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

''(a) IN GENERAL.—Except as provided in subsection (b), no funds provided directly to an entity under a designated program shall be expended for sectarian worship or instruction.

''(b) EXCEPTION.—Subsection (a) shall not apply to assistance provided to or on behalf of a program beneficiary if the beneficiary may choose where such assistance is redeemed or allocated.

''SEC. 584. FINANCIAL ASSISTANCE NOT AID TO INSTITUTIONS.

''Financial assistance under a designated program is aid to the beneficiary, not to the organization providing program services.

''SEC. 585. EDUCATIONAL REQUIREMENTS FOR PERSONNEL IN DRUG TREATMENT PROGRAMS.

''(a) FINDINGS.—The Congress finds that—

''(1) establishing formal educational qualification for counselors and other personnel in drug treatment programs may undermine the effectiveness of such programs; and

''(2) such formal educational requirements for counselors and other personnel may hinder or prevent the provision of needed drug treatment services.

''(b) LIMITATION ON EDUCATIONAL REQUIREMENTS OF PERSONNEL.—

''(1) TREATMENT OF RELIGIOUS EDUCATION.—

''(A) IN GENERAL.—If any State or local government that is a program participant imposes formal educational qualifications on providers of program services, including religious organizations, such State or local government shall treat religious education and training of personnel as having a critical and positive role in the delivery of program services.

''(B) EDUCATION AND TRAINING ON PREVENTION AND TREATMENT OF SUBSTANCE ABUSE.—In applying to religious organizations educational qualifications for personnel of such organizations who provide program services, a State or local government that is a program participant shall, with respect to education and training on preventing and treating substance abuse, give credit for such education and training that is provided by religious organizations equivalent to credit given for secular course work that provides such education and training.

''(C) GENERAL EDUCATIONAL REQUIREMENTS.—In applying to religious organizations educational qualifications for personnel of such organizations who provide program services, a State or local government that is a program participant shall, if such qualifications include course work that does not relate specifically to preventing or treating substance abuse, give credit for religious education equivalent to credit given for secular course work.

''(2) RESTRICTION OF DISCRIMINATION REQUIREMENTS..—

''(A) IN GENERAL.—Subject to paragraph (1), a State or local government that is a program participant may establish formal educational qualifications for personnel in organizations providing program services that contribute to success in reducing drug use among program beneficiaries.

''(B) EXCEPTION.—The Secretary shall waive the application of any educational qualification imposed under subparagraph (A) for an individual religious organization, if the Secretary determines that—

''(i) the religious organization has a record of prior successful drug treatment for at least the preceding three years;

''(ii) the educational qualifications have effectively barred such religious organization from becoming a program provider;

''(iii) the organization has applied to the Secretary to waive the qualifications; and

''(iv) the State or local government has failed to demonstrate empirically that the educational qualifications in question are necessary to the successful operation of a drug treatment program.''.

TITLE V—HOMEOWNERSHIP

SEC. 501. TRANSFER OF UNOCCUPIED AND SUBSTANDARD HUD-HELD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.

Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a) is amended—

(1) by striking ''FLEXIBLE AUTHORITY.—'' and inserting ''DISPOSITION OF HUD-OWNED PROPERTIES. (a) FLEXIBLE AUTHORITY FOR MULTIFAMILY PROJECTS.—''; and

(2) by adding at the end the following new subsection:

''(b) TRANSFER OF UNOCCUPIED AND SUBSTANDARD HOUSING TO LOCAL GOVERNMENTS AND COMMUNITY DEVELOPMENT CORPORATIONS.—

''(1) TRANSFER AUTHORITY.—Notwithstanding the authority under subsection (a) and the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g)), the

Secretary of Housing and Urban Development shall transfer ownership of any qualified HUD property, subject to the requirements of this section, to a unit of general local government having jurisdiction for the area in which the property is located or to a community development corporation which operates within such a unit of general local government in accordance with this subsection, but only to the extent that units of general local government and community development corporations consent to transfer and the Secretary determines that such transfer is practicable.

''(2) QUALIFIED HUD PROPERTIES.—For purposes of this subsection, the term 'qualified HUD property' means any property for which, as of the date that notification of the property is first made under paragraph (3)(B), not less than 6 months have elapsed since the later of the date that the property was acquired by the Secretary or the date that the property was determined to be unoccupied or substandard, that is owned by the Secretary and is—

''(A) an unoccupied multifamily housing project;

''(B) a substandard multifamily housing project; or

''(C) an unoccupied single family property that—

''(i) has been determined by the Secretary not to be an eligible asset under section 204(h) of the National Housing Act (12 U.S.C. 1710(h)); or

''(ii) is an eligible asset under such section 204(h), but—

''(I) is not subject to a specific sale agreement under such section; and

''(II) has been determined by the Secretary to be inappropriate for continued inclusion in the program under such section 204(h) pursuant to paragraph (10) of such section.

''(3) TIMING.—The Secretary shall establish procedures that provide for—

''(A) time deadlines for transfers under this subsection;

''(B) notification to units of general local government and community development corporations of qualified HUD properties in their jurisdictions;

''(C) such units and corporations to express interest in the transfer under this subsection of such properties;

''(D) a right of first refusal for transfer of qualified HUD properties to units of general local government and community development corporations, under which—

''(i) the Secretary shall establish a period during which the Secretary may not transfer such properties except to such units and corporations;

''(ii) the Secretary shall offer qualified HUD properties that are single family properties for purchase by units of general local government at a cost of $1 for each property, but only to the extent that the costs to the Federal Government of disposal at such price do not exceed the costs to the Federal Government of disposing of property subject to the procedures for single family property established by the Secretary pursuant to the authority under the last sentence of section 204(g) of the National Housing Act (12 U.S.C. 1710(g));

''(iii) the Secretary may accept an offer to purchase a property made by a community development corporation only if the offer provides for purchase on a cost recovery basis; and

''(iv) the Secretary shall accept an offer to purchase such a property that is made during such period by such a unit or corporation and that complies with the requirements of this paragraph;

''(E) a written explanation, to any unit of general local government or community development corporation making an offer to purchase a qualified HUD property under this subsection that is not accepted, of the reason that such offer was not acceptable.

''(4) OTHER DISPOSITION.—With respect to any qualified HUD property, if the Secretary does not receive an acceptable offer to purchase the property pursuant to the procedure established under paragraph (3), the Secretary shall dispose of the property to the unit of general local government in which property is located or to community development corporations located in such unit of general local government on a negotiated, competitive bid, or other basis, on such terms as the Secretary deems appropriate.

''(5) SATISFACTION OF INDEBTEDNESS.—Before transferring ownership of any qualified HUD property pursuant to this subsection, the Secretary shall satisfy any indebtedness incurred in connection with the property to be transferred, by canceling the indebtedness.

''(6) DETERMINATION OF STATUS OF PROPERTIES.—To ensure compliance with the requirements of this subsection, the Secretary shall take the following actions:

''(A) UPON ENACTMENT.—Upon the enactment of this subsection, the Secretary shall promptly assess each residential property owned by the Secretary to determine whether such property is a qualified HUD property.

''(B) UPON ACQUISITION.—Upon acquiring any residential property, the Secretary shall promptly determine whether the property is a qualified HUD property.

''(C) UPDATES.—The Secretary shall periodically reassess the residential properties owned by the Secretary to determine whether any such properties have become qualified HUD properties.

''(7) TENANT LEASES.—This subsection shall not affect the terms or the enforceability of any contract or lease entered into with respect to any residential property before the date that such property becomes a qualified HUD property.

''(8) USE OF PROPERTY.—Property transferred under this subsection shall be used only for appropriate neighborhood revitalization efforts, including homeownership, rental units, commercial space, and parks, consistent with local zoning regulations, local building codes, and subdivision regulations and restrictions of record.

''(9) INAPPLICABILITY TO PROPERTIES MADE AVAILABLE FOR HOMELESS.—Notwithstanding any other provision of this subsection, this subsection shall not apply to any properties that the Secretary determines are to be made available for use by the homeless pursuant to subpart E of part 291 of title 24, Code of Federal Regulations, during the period that the properties are so available.

''(10) PROTECTION OF EXISTING CONTRACTS.—This subsection may not be construed to alter, affect, or annul any legally binding obligations entered into with respect to a qualified HUD property before the property becomes a qualified HUD property.

''(11) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

''(A) COMMUNITY DEVELOPMENT CORPORATION.—The term 'community development corporation' means a nonprofit organization whose primary purpose is to promote community development by providing housing opportunities for low-income families.

''(B) COST RECOVERY BASIS.—The term 'cost recovery basis' means, with respect to any sale of a residential property by the Secretary, that the purchase price paid by the purchaser is equal to or greater than the sum of (i) the appraised value of the property, as determined in accordance with such requirements as the Secretary shall establish, and (ii) the costs incurred by the Secretary in connection with such property during the period beginning on the date on which the Secretary acquires title to the property and ending on the date on which the sale is consummated.

''(C) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' has the meaning given the term in section 203 of the Housing and Community Development Amendments of 1978.

''(D) RESIDENTIAL PROPERTY.—The term 'residential property' means a property that is a multifamily housing project or a single family property.

''(E) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

''(F) SEVERE PHYSICAL PROBLEMS.—The term 'severe physical problems' means, with respect to a dwelling unit, that the unit—

''(i) lacks hot or cold piped water, a flush toilet, or both a bathtub and a shower in the unit, for the exclusive use of that unit;

''(ii) on not less than three separate occasions during the preceding winter months, was uncomfortably cold for a period of more than 6 consecutive hours due to a malfunction of the heating system for the unit;

''(iii) has no functioning electrical service, exposed wiring, any room in which there is not a functioning electrical outlet, or has experienced three or more blown fuses or tripped circuit breakers during the preceding 90-day period;

''(iv) is accessible through a public hallway in which there are no working light fixtures, loose or missing steps or railings, and no elevator; or

''(v) has severe maintenance problems, including water leaks involving the roof, windows, doors, basement, or pipes or plumbing fixtures, holes or open cracks in walls or ceilings, severe paint peeling or broken plaster, and signs of rodent infestation.

''(G) SINGLE FAMILY PROPERTY.—The term 'single family property' means a 1- to 4-family residence.

''(H) SUBSTANDARD.—The term 'substandard' means, with respect to a multifamily housing project, that 25 percent or more of the dwelling units in the project have severe physical problems.

''(I) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' has the meaning given such term in section 102(a) of the Housing and Community Development Act of 1974.

''(J) UNOCCUPIED.—The term 'unoccupied' means, with respect to a residential property, that the unit of general local government having jurisdiction over the area in which the project is located has certified in writing that the property is not inhabited.

''(12) REGULATIONS.—

''(A) INTERIM.—Not later than 30 days after the date of the enactment of this subsection, the Secretary shall issue such interim regulations as are necessary to carry out this subsection.

''(B) FINAL.—Not later than 60 days after the date of the enactment of this subsection, the Secretary shall issue such final regulations as are necessary to carry out this subsection.''.

SEC. 502. TRANSFER OF HUD ASSETS IN REVITALIZATION AREAS.

In carrying out the program under section 204(h) of the National Housing Act (12 U.S.C.

1710(h)), upon the request of the chief executive officer of a county or the government of appropriate jurisdiction and not later than 60 days after such request is made, the Secretary of Housing and Urban Development shall designate as a revitalization area all portions of such county that meet the criteria for such designation under paragraph (3) of such section.

SEC. 503. RISK-SHARING DEMONSTRATION.

Section 249 of the National Housing Act (12 U.S.C. 1715z–14) is amended—

(1) by striking the section heading and inserting the following:

''RISK-SHARING DEMONSTRATION'';

(2) by striking ''reinsurance'' each place such term appears and insert ''risk-sharing'';

(3) in subsection (a)—

(A) in the first sentence, by inserting ''and insured community development financial institutions'' after ''private mortgage insurers'';

(B) in the second sentence—

(i) by striking ''two'' and inserting ''4''; and

(ii) by striking ''March 15, 1988'' and inserting ''the expiration of the 5-year period beginning on the date of the enactment of the American Community Renewal and New Markets Empowerment Act''; and

(C) in the last sentence, by striking ''10 percent'' and inserting ''20 percent'';

(4) in subsection (b)—

(A) in the first sentence, by inserting ''and with insured community development financial institutions'' before the period at the end;

(B) in the first sentence, by striking ''which have been determined to be qualified insurers under section 302(b)(2)(C)'';

(C) in the second sentence, by inserting ''and insured community development financial institutions'' after ''private mortgage insurance companies'';

(D) by striking paragraph (1) and inserting the following new paragraph:

''(1) assume the first loss on any mortgage insured pursuant to section 203(b), 234, or 245 that covers a one- to four-family dwelling and is included in the program under this section, up to the percentage of loss that is set forth in the risk-sharing contract;''; and

(E) in paragraph (2)—

(i) by striking ''carry out (under appropriate delegation) such'' and inserting ''delegate underwriting,''; and

(ii) by striking ''function'' and inserting ''functions'';

(5) in subsection (c)—

(A) in the first sentence—

(i) by striking ''of'' the first place it appears and insert ''for'';

(ii) by striking ''insurance reserves'' and inserting ''loss reserves''; and

(iii) by striking ''such insurance'' and inserting ''such reserves''; and

(B) in the second sentence, by inserting ''or insured community development financial institution'' after ''private mortgage insurance company'';

(6) in subsection (d), by inserting ''or insured community development financial institution'' after ''private mortgage insurance company''; and

(7) by adding at the end the following new subsection:

''(e) INSURED COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS.—For purposes of this section, the term 'insured community development financial institution' means a community development financial institution, as such term is defined in section 103 of Reigle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702) that is an insured depository institution (as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) or an insured credit union (as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).''.

TITLE VI—AMERICA'S PRIVATE INVESTMENT COMPANIES

SEC. 601. SHORT TITLE.

This title may be cited as the ''America's Private Investment Companies Act''.

SEC. 602. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) people living in distressed areas, both urban and rural, that are characterized by high levels of joblessness, poverty, and low incomes have not benefited adequately from the economic expansion experienced by the Nation as a whole;

(2) unequal access to economic opportunities continues to make the social costs of joblessness and poverty to our Nation very high; and

(3) there are significant untapped markets in our Nation, and many of these are in areas that are underserved by institutions that can make equity and credit investments.

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

(1) license private for profit community development entities that will focus on making equity and credit investments for large-scale business developments that benefit low-income communities;

(2) provide credit enhancement for those entities for use in low-income communities; and

(3) provide a vehicle under which the economic and social returns on financial investments made pursuant to this title may be available both to the investors in these entities and to the residents of the low-income communities.

SEC. 603. DEFINITIONS.

As used in this title:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Small Business Administration.

(2) AGENCY.—The term ''agency'' has the meaning given such term in section 551(1) of title 5, United States Code.

(3) APIC.—The term ''APIC'' means a business entity that has been licensed under the terms of this title as an America's Private Investment Company, and the license of which has not been revoked.

(4) COMMUNITY DEVELOPMENT ENTITY.—The term ''community development entity'' means an entity the primary mission of which is serving or providing investment capital for low-income communities or low-income persons and which maintains accountability to residents of low-income communities.

(5) HUD.—The term ''HUD'' means the Secretary of Housing and Urban Development or the Department of Housing and Urban Development, as the context requires.

(6) LICENSE.—The term ''license'' means a license issued by HUD as provided in section 604.

(7) LOW-INCOME COMMUNITY.—The term ''low-income community'' means—

(A) a census tract or tracts that have—

(i) a poverty rate of 20 percent or greater, based on the most recent census data; or

(ii) a median family income that does not exceed 80 percent of the greater of (I) the median family income for the metropolitan area in which such census tract or tracts are located, or (II) the median family income for the State in which such census tract or tracts are located; or

(B) a property that was located on a military installation that was closed or realigned pursuant to title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note), the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), section 2687 of title 10, United States Code, or any other similar law enacted after the date of the enactment of this Act that provides for closure or realignment of military installations.

(8) LOW-INCOME PERSON.—The term ''low-income person'' means a person who is a member of a low-income family, as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704).

(9) PRIVATE EQUITY CAPITAL.—

(A) IN GENERAL.—The term ''private equity capital''—

(i) in the case of a corporate entity, the paid-in capital and paid-in surplus of the corporate entity;

(ii) in the case of a partnership entity, the contributed capital of the partners of the partnership entity;

(iii) in the case of a limited liability company entity, the equity investment of the members of the limited liability company entity; and

(iv) earnings from investments of the entity that are not distributed to investors and are available for reinvestment by the entity.

(B) EXCLUSIONS.—Such term does not include any—

(i) funds borrowed by an entity from any source or obtained through the issuance of leverage; except that this clause may not be construed to exclude amounts evidenced by a legally binding and irrevocable investment commitment in the entity, or the use by an entity of a pledge of such investment commitment to obtain bridge financing from a private lender to fund the entity's activities on an interim basis; or

(ii) funds obtained directly or indirectly from any Federal, State, or local government or any government agency, except for—

(I) funds invested by an employee welfare benefit plan or pension plan; and

(II) credits against any Federal, State, or local taxes.

(10) QUALIFIED ACTIVE BUSINESS.—The term ''qualified active business'' means a business or trade—

(A) that, at the time that an investment is made in the business or trade, is deriving at least 50 percent of its gross income from the conduct of trade or business activities in low-income communities;

(B) a substantial portion of the use of the tangible property of which is used within low-income communities;

(C) a substantial portion of the services that the employees of which perform are performed in low-income communities; and

(D) less than 5 percent of the aggregate unadjusted bases of the property of which is attributable to certain financial property, as the Secretary shall set forth in regulations, or in collectibles, other than collectibles held primarily for sale to customers.

(11) QUALIFIED DEBENTURE.—The term ''qualified debenture'' means a debt instrument having terms that meet the requirements established pursuant to section 606(c)(1).

(12) QUALIFIED LOW-INCOME COMMUNITY INVESTMENT.—The term ''qualified low-income community investment'' mean an equity investment in, or a loan to, a qualified active business.

(13) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development, unless otherwise specified in this title.

SEC. 604. AUTHORIZATION.

(a) LICENSES.—The Secretary is authorized to license community development entities as America's Private Investment Companies, in accordance with the terms of this title.

(b) REGULATIONS.—The Secretary shall regulate APICs for compliance with sound financial management practices, and the program and procedural goals of this title and other related Acts, and other purposes as required or authorized by this title, or determined by the Secretary. The Secretary shall issue such regulations as are necessary to carry out the licensing and regulatory and other duties under this title, and may issue notices and other guidance or directives as the Secretary determines are appropriate to carry out such duties.

(c) USE OF CREDIT SUBSIDY FOR LICENSES.—

(1) NUMBER OF LICENSES.—The number of APICs licensed at any one time may not exceed—

(A) the number that may be supported by the amount of budget authority appropriated in accordance with section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c) for the cost (as such term is defined in section 502 of such Act) of the subsidy and the investment strategies of such APICs; or

(B) to the extent the limitation under section 605(e)(1) applies, the number authorized under such section.

(2) USE OF ADDITIONAL CREDIT SUBSIDY.—Subject to the limitation under paragraph (1), the Secretary may use any budget authority available after credit subsidy has been allocated for the APICs initially licensed pursuant to section 605 as follows:

(A) ADDITIONAL LICENSES.—To license additional APICs.

(B) CREDIT SUBSIDY INCREASES.—To increase the credit subsidy allocated to an APIC as an award for high performance under this title, except that such increases may be made only in accordance with the following requirements and limitations:

(i) TIMING.—An increase may only be provided for an APIC that has been licensed for a period of not less than 2 years.

(ii) COMPETITION.—An increase may only be provided for a fiscal year pursuant to a competition for such fiscal year among APICs eligible for, and requesting, such an increase. The competition shall be based upon criteria that the Secretary shall establish, which shall include the financial soundness and performance of the APICs, as measured by achievement of the public performance goals included in the APICs statements required under section 605(a)(6) and audits conducted under section 609(b)(2). Among the criteria established by the Secretary to determine priority for selection under this section, the Secretary shall include making investments in and loans to qualified active businesses in urban or rural areas that have been designated under subchapter U of Chapter 1 of the Internal Revenue Code of 1986 as empowerment zones or enterprise communities.

(d) COOPERATION AND COORDINATION.—

(1) PROGRAM POLICIES.—The Secretary is authorized to coordinate and cooperate, through memoranda of understanding, an APIC liaison committee, or otherwise, with the Administrator, the Secretary of the Treasury, and other agencies in the discretion of the Secretary, on implementation of this title, including regulation, examination, and monitoring of APICs under this title.

(2) FINANCIAL SOUNDNESS REQUIREMENTS.—The Secretary shall consult with the Administrator and the Secretary of the Treasury, and may consult with such other heads of agencies as the Secretary may consider appropriate, in establishing any regulations, requirements, guidelines, or standards for financial soundness or management practices of APICs or entities applying for licensing as APICs. In implementing and monitoring compliance with any such regulations, requirements, guidelines, and standards, the Secretary shall enter into such agreements and memoranda of understanding with the Administrator and the Secretary of the Treasury as may be appropriate to provide for such officials to provide any assistance that may be agreed to.

(3) OPERATIONS.—The Secretary may carry out this title—

(A) directly, through agreements with other Federal entities under section 1535 of title 31, United States Code, or otherwise, or

(B) indirectly, under contracts or agreements, as the Secretary shall determine.

(e) FEES AND CHARGES FOR ADMINISTRATIVE COSTS.—To the extent provided in appropriations Acts, the Secretary is authorized to impose fees and charges for application, review, licensing, and regulation, or other actions under this title, and to pay for the costs of such activities from the fees and charges collected.

(f) GUARANTEE FEES.—The Secretary is authorized to set and collect fees for loan guarantee commitments and loan guarantees that the Secretary makes under this title.

(g) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS FOR LOAN GUARANTEE COMMITMENTS.—For each of fiscal years 2000, 2001, 2002, 2003, and 2004, there is authorized to be appropriated up to $36,000,000 for the cost (as such term is defined in section 502(5) of the Federal Credit Reform Act of 1990) of annual loan guarantee commitments under this title. Amounts appropriated under this paragraph shall remain available until expended.

(2) AGGREGATE LOAN GUARANTEE COMMITMENT LIMITATION.—The Secretary may make commitments to guarantee loans only to the extent that the total loan principal, any part of which is guaranteed, will not exceed $1,000,000,000, unless another such amount is specified in appropriation Acts for any fiscal year.

(3) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.—For each of the fiscal years 2000, 2001, 2002, 2003, and 2004, there is authorized to be appropriated $1,000,000 for administrative expenses for carrying out this title. The Secretary may transfer amounts appropriated under this paragraph to any appropriation account of HUD or another agency, to carry out the program under this title. Any agency to which the Secretary may transfer amounts under this title is authorized to accept such transferred amounts in any appropriation account of such agency.

SEC. 605. SELECTION OF APICS.

(a) ELIGIBLE APPLICANTS.—An entity shall be eligible to be selected for licensing under section 604 as an APIC only if the entity submits an application in compliance with the requirements established pursuant to subsection (b) and the entity meets or complies with the following requirements:

(1) ORGANIZATION.—The entity shall be a private, for-profit entity that qualifies as a community development entity for the purposes of the New Markets Tax Credits, to the extent such credits are established under Federal law.

(2) MINIMUM PRIVATE EQUITY CAPITAL.—The amount of private equity capital reasonably available to the entity, as determined by the Secretary, at the time that a license is approved may not be less than $25,000,000.

(3) QUALIFIED MANAGEMENT.—The management of the entity shall, in the determination of the Secretary, meet such standards as the Secretary shall establish to ensure that the management of the APIC is qualified, and has the financial expertise, knowledge, experience, and capability necessary, to make investments for community and economic development in low-income communities.

(4) CONFLICT OF INTEREST.—The entity shall demonstrate that, in accordance with sound financial management practices, the entity is structured to preclude financial conflict of interest between the APIC and a manager or investor.

(5) INVESTMENT STRATEGY.—The entity shall prepare and submit to the Secretary an investment strategy that includes benchmarks for evaluation of its progress, that includes an analysis of existing locally owned businesses in the communities in which the investments under the strategy will be made, that prioritizes such businesses for investment opportunities, and that fulfills the specific public purpose goals of the entity.

(6) STATEMENT OF PUBLIC PURPOSE GOALS.—The entity shall prepare and submit to the Secretary a statement of the public purpose goals of the entity, which shall—

(A) set forth goals that shall promote community and economic development, which shall include—

(i) making investments in low-income communities that further economic development objectives by targeting such investments in businesses or trades that comply with the requirements under subparagraphs (A) through (C) of section 603(10) relating to low-income communities in a manner that benefits low-income persons;

(ii) creating jobs in low-income communities for residents of such communities;

(iii) involving community-based organizations and residents in community development activities;

(iv) such other goals as the Secretary shall specify; and

(v) such elements as the entity may set forth to achieve specific public purpose goals;

(B) include such other elements as the Secretary shall specify; and

(C) include proposed measurements and strategies for meeting the goals.

(7) COMPLIANCE WITH LAWS.—The entity shall agree to comply with applicable laws, including Federal executive orders, Office of Management and Budget circulars, and requirements of the Department of the Treasury, and such operating and regulatory requirements as the Secretary may impose from time to time.

(8) OTHER.—The entity shall satisfy any other application requirements that the Secretary may impose by regulation or Federal Register notice.

(b) COMPETITIONS.—The Secretary shall select eligible entities under subsection (a) to be licensed under section 604 as APICs on the basis of competitions. The Secretary shall announce each such competition by causing a notice to be published in the Federal Register that invites applications for licenses and sets forth the requirements for application and such other terms of the competition not otherwise provided for, as determined by the Secretary.

(c) SELECTION.—In competitions under subsection (b), the Secretary shall select eligible entities under subsection (a) for licensing as APICs on the basis of—

(1) the extent to which the entity is expected to achieve the goals of this title by meeting or exceeding criteria established under subsection (d); and

(2) to the extent practicable and subject to the existence of approvable applications, ensuring geographical diversity among the applicants selected and diversity of APICs investment strategies, so that urban and rural communities are both served, in the determination of the Secretary, by the program under this title.

(d) SELECTION CRITERIA.—The Secretary shall establish selection criteria for competitions under subsection (b), which shall include the following criteria:

(1) CAPACITY.—

(A) MANAGEMENT.—The extent to which the entity's management has the quality, experience, and expertise to make and manage successful investments for community and economic development in low-income communities.

(B) STATE AND LOCAL COOPERATION.—The extent to which the entity demonstrates a capacity to cooperate with States or units of general local government and with community-based organizations and residents of low-income communities.

(2) INVESTMENT STRATEGY.—The quality of the entity's investment strategy submitted in accordance with subsection (a)(5) and the extent to which the investment strategy furthers the goals of this title pursuant to paragraph (3) of this subsection.

(3) PUBLIC PURPOSE GOALS.—With respect to the statement of public purpose goals of the entity submitted in accordance with subsection (a)(6), and the strategy and measurements included therein—

(A) the extent to which such goals promote community and economic development;

(B) the extent to which such goals provide for making qualified investments in low-income communities that further economic development objectives, such as—

(i) creating, within 2 years of the completion of the initial such investment, job opportunities, opportunities for ownership, and other economic opportunities within a low-income community, both short-term and of a longer duration;

(ii) improving the economic vitality of a low-income community, including stimulating other business development;

(iii) bringing new income into a low-income community and assisting in the revitalization of such community;

(iv) converting real property for the purpose of creating a site for business incubation and location, or business district revitalization;

(v) enhancing economic competition, including the advancement of technology;

(vi) rural development;

(vii) mitigating, rehabilitating, and reusing real property considered subject to the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.; commonly referred to as the Resource Conservation and Recovery Act) or restoring coal mine-scarred land;

(viii) creation of local wealth through investments in employee stock ownership companies or resident-owned ventures; and

(ix) any other objective that the Secretary may establish to further the purposes of this title;

(C) the quality of jobs to be created for residents of low-income communities, taking into consideration such factors as the payment of higher wages, job security, employment benefits, opportunity for advancement, and personal asset building;

(D) the extent to which achievement of such goals will involve community-based organizations and residents in community development activities; and

(E) the extent to which the investments referred to in subparagraph (B) are likely to benefit existing small business in low-income communities or will encourage the growth of small business in such communities.

(4) OTHER.—Any other criteria that the Secretary may establish to carry out the purposes of this title.

(e) FIRST YEAR REQUIREMENTS.—

(1) NUMERICAL LIMITATION.—The number of APICs may not, at any time during the 1-year period that begins upon the Secretary awarding the first license for an APIC under this title, exceed 15.

(2) LIMITATION ON ALLOCATION OF AVAILABLE CREDIT SUBSIDY.—Of the amount of budget authority initially made available for allocation under this title for APICs, the amount allocated for any single APIC may not exceed 20 percent.

(3) NATIVE AMERICAN PRIVATE INVESTMENT COMPANY.—Subject only to the absence of an approvable application from an entity, during the 1-year period referred to in paragraph (1), of the entities selected and licensed by the Secretary as APICs, at least one shall be an entity that has as its primary purpose the making of qualified low-income community investments in areas that are within Indian country (as such term is defined in section 1151 of title 18, United States Code) or within lands that have status as Hawaiian home land under section 204 of the Hawaiian Homes Commission Act, 1920 (42 Stat. 108) or are acquired pursuant to such Act. The Secretary may establish specific selection criteria for applicants under this paragraph.

(f) COMMUNICATIONS BETWEEN HUD AND APPLICANTS.—

(1) IN GENERAL.—The Secretary shall set forth in regulations the procedures under which HUD and applicants for APIC licenses, and others, may communicate. Such regulations shall—

(A) specify by position the HUD officers and employees who may communicate with such applicants and others;

(B) permit HUD officers and employees to request and discuss with the applicant and others (such as banks or other credit or business references, or potential investors, that the applicant specifies in writing) any more detailed information that may be desirable to facilitate HUD's review of the applicant's application;

(C) restrict HUD officers and employees from revealing to any applicant—

(i) the fact or chances of award of a license to such applicant, unless there has been a public announcement of the results of the competition; and

(ii) any information with respect to any other applicant; and

(D) set forth requirements for making and keeping records of any communications conducted under this subsection, including requirements for making such records available to the public after the award of licenses under an initial or subsequent notice, as appropriate, under subsection (a).

(2) TIMING.—Regulations under this subsection may be issued as interim rules for effect on or before the date of publication of the first notice under subsection (a), and shall apply only with respect to applications under such notice. Regulations to implement this subsection with respect to any notice after the first such notice shall be subject to notice and comment rulemaking.

(3) INAPPLICABILITY OF DEPARTMENT OF HUD ACT PROVISION.—Section 12(e)(2) of the Department of Housing and Urban Development Act (42 U.S.C. 3537a(e)(2)) is amended by inserting before the period at the end the following: ''or any license provided under the America's Private Investment Companies Act''.

SEC. 606. OPERATIONS OF APICS.

(a) POWERS AND AUTHORITIES.—

(1) IN GENERAL.—An APIC shall have any powers or authorities that—

(A) the APIC derives from the jurisdiction in which it is organized, or that the APIC otherwise has;

(B) may be conferred by a license under this title; and

(C) the Secretary may prescribe by regulation.

(2) NEW MARKET ASSISTANCE.—Nothing in this title shall preclude an APIC or its investors from receiving an allocation of New Market Tax Credits (to the extent such credits are established under Federal law) if the APIC satisfies any applicable terms and conditions under the Internal Revenue Code of 1986.

(b) INVESTMENT LIMITATIONS.—

(1) QUALIFIED LOW-INCOME COMMUNITY INVESTMENTS.—Substantially all investments that an APIC makes shall be qualified low-income community investments if the investments are financed with—

(A) amounts available from the proceeds of the issuance of an APIC's qualified debenture guaranteed under this title;

(B) proceeds of the sale of obligations described under subsection (c)(3)(C)(iii); or

(C) the use of private equity capital, as determined by the Secretary, in an amount specified in the APIC's license.

(2) SINGLE BUSINESS INVESTMENTS.—An APIC shall not, as a matter of sound financial practice, invest in any one business an amount that exceeds an amount equal to 35 percent of the sum of—

(A) the APIC's private equity capital; plus

(B) an amount equal to the percentage limit that the Secretary determines that an APIC may have outstanding at any one time, under subsection (c)(2)(A).

(c) BORROWING POWERS; QUALIFIED DEBENTURES.—

(1) ISSUANCE.—An APIC may issue qualified debentures. The Secretary shall, by regulation, specify the terms and requirements for debentures to be considered qualified debentures for purposes of this title, except that the term to maturity of any qualified debenture may not exceed 21 years and each qualified debenture shall bear interest during all or any part of that time period at a rate or rates approved by the Secretary.

(2) LEVERAGE LIMITS.—In general, as a matter of sound financial management practices—

(A) the total amount of qualified debentures that an APIC issues under this title that an APIC may have outstanding at any one time shall not exceed an amount equal to 200 percent of the private equity capital of the APIC, as determined by the Secretary; and

(B) an APIC shall not have more than $300,000,000 in face value of qualified debentures issued under this title outstanding at any one time.

(3) REPAYMENT.—

(A) CONDITION OF BUSINESS WIND-UP.—An APIC shall have repaid, or have otherwise been relieved of indebtedness, with respect to any interest or principal amounts of borrowings under this subsection no less than 2 years before the APIC may dissolve or otherwise complete the wind-up of its business.

(B) TIMING.—An APIC may repay any interest or principal amounts of borrowings

under this subsection at any time: *Provided*, That the repayment of such amounts shall not relieve an APIC of any duty otherwise applicable to the APIC under this title, unless the Secretary orders such relief.

(C) USE OF INVESTMENT PROCEEDS BEFORE REPAYMENT.—Until an APIC has repaid all interest and principal amounts on APIC borrowings under this subsection, an APIC may use the proceeds of investments, in accordance with regulations issued by the Secretary, only to—

(i) pay for proper costs and expenses the APIC incurs in connection with such investments;

(ii) pay for the reasonable administrative expenses of the APIC;

(iii) purchase Treasury securities;

(iv) repay interest and principal amounts on APIC borrowings under this subsection;

(v) make interest, dividend, or other distributions to or on behalf of an investor; or

(vi) undertake such other purposes as the Secretary may approve.

(D) USE OF INVESTMENT PROCEEDS AFTER REPAYMENT.—After an APIC has repaid all interest and principal amounts on APIC borrowings under this subsection, and subject to continuing compliance with subsection (a), the APIC may use the proceeds from investments to make interest, dividend, or other distributions to or on behalf of investors in the nature of returns on capital, or the withdrawal of private equity capital, without regard to subparagraph (C) but in conformity with the APIC's investment strategy and statement of public purpose goals.

(d) REUSE OF QUALIFIED DEBENTURE PROCEEDS.—An APIC may use the proceeds of sale of Treasury securities purchased under subsection (c)(3)(C)(iii) to make qualified low-income community investments, subject to the Secretary's approval. In making the request for the Secretary's approval, the APIC shall follow the procedures applicable to an APIC's request for HUD guarantee action, as the Secretary may modify such procedures for implementation of this subsection. Such procedures shall include the description and certifications that an APIC must include in all requests for guarantee action, and the environmental certification applicable to initial expenditures for a project or activity.

(e) ANTIPIRATING.—Notwithstanding any other provision of law, an APIC may not use any private equity capital required to be contributed under this title, or the proceeds from the sale of any qualified debenture under this title, to make an investment, as determined by the Secretary, to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from 1 area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.

(f) EXCLUSION OF APIC FROM DEFINITION OF DEBTOR UNDER BANKRUPTCY PROVISIONS.—Section 109(b)(2) of title 11, United States Code, is amended by inserting before ''credit union'' the following: ''America's Private Investment Company licensed under the America's Private Investment Companies Act,''.

SEC. 607. CREDIT ENHANCEMENT BY THE FEDERAL GOVERNMENT.

(a) ISSUANCE AND GUARANTEE OF QUALIFIED DEBENTURES.—

(1) AUTHORITY.—To the extent consistent with the Federal Credit Reform Act of 1990, the Secretary is authorized to make commitments to guarantee and guarantee the timely payment of all principal and interest as scheduled on qualified debentures issued by APICs. Such commitments and guarantees may only be made in accordance with the terms and conditions established under paragraph (2).

(2) TERMS AND CONDITIONS.—The Secretary shall establish such terms and conditions as the Secretary determines to be appropriate for commitments and guarantees under this subsection, including terms and conditions relating to amounts, expiration, number, priorities of repayment, security, collateral, amortization, payment of interest (including the timing thereof), and fees and charges. The terms and conditions applicable to any particular commitment or guarantee may be established in documents that the Secretary approves for such commitment or guarantee.

(3) SENIORITY.—Notwithstanding any other provision of Federal law or any law or the constitution of any State, qualified debentures guaranteed under this subsection by the Secretary shall be senior to any other debt obligation, equity contribution or earnings, or the distribution of dividends, interest, or other amounts, of an APIC.

(b) ISSUANCE OF TRUST CERTIFICATES.—The Secretary, or an agent or entity selected by the Secretary, is authorized to issue trust certificates representing ownership of all or a fractional part of guaranteed qualified debentures issued by APICs and held in trust.

(c) GUARANTEE OF TRUST CERTIFICATES.—

(1) IN GENERAL.—The Secretary is authorized, upon such terms and conditions as the Secretary determines to be appropriate, to guarantee the timely payment of the principal of and interest on trust certificates issued by the Secretary, or an agent or other entity, for purposes of this section. Such guarantee shall be limited to the extent of principal and interest on the guaranteed qualified debentures which compose the trust.

(2) SUBSTITUTION OPTION.—The Secretary shall have the option to replace in the corpus of the trust any prepaid or defaulted qualified debenture with a debenture, another full faith and credit instrument, or any obligations of the United States, that may reasonably substitute for such prepaid or defaulted qualified debenture.

(3) PROPORTIONATE REDUCTION OPTION.—In the event that the Secretary elects not to exercise the option under paragraph (2), and a qualified debenture in such trust is prepaid, or in the event of default of a qualified debenture, the guarantee of timely payment of principal and interest on the trust certificate shall be reduced in proportion to the amount of principal and interest that such prepaid qualified debenture represents in the trust. Interest on prepaid or defaulted qualified debentures shall accrue and be guaranteed by the Secretary only through the date of payment of the guarantee. During the term of a trust certificate, it may be called for redemption due to prepayment or default of all qualified debentures that are in the corpus of the trust.

(d) FULL FAITH AND CREDIT BACKING OF GUARANTEES.—The full faith and credit of the United States is pledged to the timely payment of all amounts which may be required to be paid under any guarantee by the Secretary pursuant to this section.

(e) SUBROGATION AND LIENS.—

(1) SUBROGATION.—In the event the Secretary pays a claim under a guarantee issued under this section, the Secretary shall be subrogated fully to the rights satisfied by such payment.

(2) PRIORITY OF LIENS.—No State or local law, and no Federal law, shall preclude or limit the exercise by the Secretary of its ownership rights in the debentures in the corpus of a trust under this section.

(f) REGISTRATION.—

(1) IN GENERAL.—The Secretary shall provide for a central registration of all trust certificates issued pursuant to this section.

(2) AGENTS.—The Secretary may contract with an agent or agents to carry out on behalf of the Secretary the pooling and the central registration functions of this section notwithstanding any other provision of law, including maintenance on behalf of and under the direction of the Secretary, such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate trusts backed by qualified debentures guaranteed under this title and the issuance of trust certificates to facilitate formation of the corpus of the trusts. The Secretary may require such agent or agents to provide a fidelity bond or insurance in such amounts as the Secretary determines to be necessary to protect the interests of the Government.

(3) FORM.—Book-entry or other electronic forms of registration for trust certificates under this title are authorized.

(g) TIMING OF ISSUANCE OF GUARANTEES OF QUALIFIED DEBENTURES AND TRUST CERTIFICATES.—The Secretary may, from time to time in the Secretary's discretion, exercise the authority to issue guarantees of qualified debentures under this title or trust certificates under this title.

SEC. 608. APIC REQUESTS FOR GUARANTEE ACTIONS.

(a) IN GENERAL.—The Secretary may issue a guarantee under this title for a qualified debenture that an APIC intends to issue only pursuant to a request to the Secretary by the APIC for such guarantee that is made in accordance with regulations governing the content and procedures for such requests, that the Secretary shall prescribe. Such regulations shall provide that each such request shall include—

(1) a description of the manner in which the APIC intends to use the proceeds from the qualified debenture;

(2) a certification by the APIC that the APIC is in substantial compliance with—

(A) this title and other applicable laws, including any requirements established under this title by the Secretary;

(B) all terms and conditions of its license, any cease-and-desist order issued under section 610, and of any penalty or condition that may have arisen from examination or monitoring by the Secretary or otherwise, including the satisfaction of any financial audit exception that may have been outstanding; and

(C) all requirements relating to the allocation and use of New Markets Tax Credits, to the extent such credits are established under Federal law; and

(3) any other information or certification that the Secretary considers appropriate.

(b) REQUESTS FOR GUARANTEE OF QUALIFIED DEBENTURES THAT INCLUDE FUNDING FOR INITIAL EXPENDITURE FOR A PROJECT OR ACTIVITY.—In addition to the description and certification that an APIC is required to supply in all requests for guarantee action under subsection (a), in the case of an APIC's request for a guarantee that includes a qualified debenture, the proceeds of which the APIC expects to be used as its initial expenditure for a project or activity in which the APIC intends to invest, and the expenditure for which would require an environmental assessment under the National Environmental Policy Act of 1969 and other related laws that further the purposes of such Act, such request for guarantee action shall include evidence satisfactory to the Secretary

of the certification of the completion of environmental review of the project or activity required of the cognizant State or local government under subsection (c). If the environmental review responsibility for the project or activity has not been assumed by a State or local government under subsection (c), then the Secretary shall be responsible for carrying out the applicable responsibilities under the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act that relate to the project or activity, and the Secretary shall execute such responsibilities before acting on the APIC's request for the guarantee that is covered by this subsection.

(c) RESPONSIBILITY FOR ENVIRONMENTAL REVIEWS.—

(1) EXECUTION OF RESPONSIBILITY BY THE SECRETARY.—This subsection shall apply to guarantees by the Secretary of qualified debentures under this title, the proceeds of which would be used in connection with qualified low-income community investments of APICs under this title.

(2) ASSUMPTION OF RESPONSIBILITY BY COGNIZANT UNIT OF GENERAL GOVERNMENT.—

(A) GUARANTEE OF QUALIFIED DEBENTURES.—In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the environment, the Secretary may, under such regulations, in lieu of the environmental protection procedures otherwise applicable, provide for the guarantee of qualified debentures, any part of the proceeds of which are to fund particular qualified low-income community investments of APICs under this title, if a State or unit of general local government, as designated by the Secretary in accordance with regulations issued by the Secretary, assumes all of the responsibilities for environmental review, decisionmaking, and action pursuant to the National Environmental Policy Act of 1969 and such other provisions of law that further such Act as the regulations of the Secretary specify, that would otherwise apply to the Secretary were the Secretary to undertake the funding of such investments as a Federal action.

(B) IMPLEMENTATION.—The Secretary shall issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality. Such regulations shall—

(i) specify any other provisions of law which further the purposes of the National Environmental Policy Act of 1969 and to which the assumption of responsibility as provided in this subsection applies;

(ii) provide eligibility criteria and procedures for the designation of a State or unit of general local government to assume all of the responsibilities in this subsection;

(iii) specify the purposes for which funds may be committed without regard to the procedure established under paragraph (3);

(iv) provide for monitoring of the performance of environmental reviews under this subsection;

(v) in the discretion of the Secretary, provide for the provision or facilitation of training for such performance; and

(vi) subject to the discretion of the Secretary, provide for suspension or termination by the Secretary of the assumption under subparagraph (A).

(C) RESPONSIBILITIES OF STATES AND UNITS OF GENERAL LOCAL GOVERNMENT.—The Secretary's duty under subparagraph (B) shall not be construed to limit any responsibility assumed by a State or unit of general local government with respect to any particular request for guarantee under subparagraph (A), or the use of funds for a qualified investment.

(3) PROCEDURE.—Subject to compliance by the APIC with the requirements of this title, the Secretary shall approve the request for guarantee of a qualified debenture, any part of the proceeds of which is to fund particular qualified low-income community investments of an APIC under this title, that is subject to the procedures authorized by this subsection only if, not less than 15 days prior to such approval and prior to any commitment of funds to such investment (except for such purposes specified in the regulations issued under paragraph (2)(B)), the APIC submits to the Secretary a request for guarantee of a qualified debenture that is accompanied by evidence of a certification of the State or unit of general local government which meets the requirements of paragraph (4). The approval by the Secretary of any such certification shall be deemed to satisfy the Secretary's responsibilities pursuant to paragraph (1) under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the guarantees of qualified debentures, any parts of the proceeds of which are to fund such investments, which are covered by such certification.

(4) CERTIFICATION.—A certification under the procedures authorized by this subsection shall—

(A) be in a form acceptable to the Secretary;

(B) be executed by the chief executive officer or other officer of the State or unit of general local government who qualifies under regulations of the Secretary;

(C) specify that the State or unit of general local government under this subsection has fully carried out its responsibilities as described under paragraph (2); and

(D) specify that the certifying officer—

(i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provision of law apply pursuant to paragraph (2); and

(ii) is authorized and consents on behalf of the State or unit of general local government and himself or herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities as such an official.

SEC. 609. EXAMINATION AND MONITORING OF APICS.

(a) IN GENERAL.—The Secretary shall, under regulations, through audits, performance agreements, license conditions, or otherwise, examine and monitor the operations and activities of APICs for compliance with sound financial management practices, and for satisfaction of the program and procedural goals of this title and other related Acts. The Secretary may undertake any responsibility under this section in cooperation with an APIC liaison committee, or any agency that is a member of such a committee, or other agency.

(b) MONITORING, UPDATING, AND PROGRAM REVIEW.—

(1) REPORTING AND UPDATING.—The Secretary shall establish such annual or more frequent reporting requirements for APICs, and such requirements for the updating of the statement of public purpose goals, investment strategy (including the benchmarks in such strategy), and other documents that may have been used in the license application process under this title, as the Secretary determines necessary to assist the Secretary in monitoring the compliance and performance of APICs.

(2) ANNUAL AUDITS.—The Secretary shall require each APIC to have an independent audit conducted annually of the operations of the APIC. The Secretary, in consultation with the Administrator and the Secretary of the Treasury, shall establish requirements and standards for such audits, including requirements that such audits be conducted in accordance with generally accepted accounting principles, that the APIC submit the results of the audit to Secretary, and that specify the information to be submitted.

(3) EXAMINATIONS.—The Secretary shall, no less often than once every 2 years, examine the operations and portfolio of each APIC licensed under this title for compliance with sound financial management practices, and for compliance with this title.

(4) EXAMINATION STANDARDS.—

(A) SOUND FINANCIAL MANAGEMENT PRACTICES.—The Secretary shall examine each APIC to ensure, as a matter of sound financial management practices, substantial compliance with this and other applicable laws, including Federal executive orders, Department of Treasury and Office of Management and Budget guidance, circulars, and application and licensing requirements on a continuing basis. The Secretary may, by regulation, establish any additional standards for sound financial management practices, including standards that address solvency and financial exposure.

(B) PERFORMANCE AND OTHER EXAMINATIONS.—The Secretary shall monitor each APIC's progress in meeting the goals in the APIC's statement of public purpose goals, executing the APIC's investment strategy, and other matters.

(c) INSPECTOR GENERAL RESPONSIBILITY.—In carrying out monitoring of HUD's responsibilities under this title and for purposes of ensuring that the program under this title is operated in accordance with sound financial management practices, the Inspector General of the Department of Housing and Urban Development shall consult with the Inspector General of the Department of the Treasury and the Inspector General of the Small Business Administration, as appropriate, and may enter into such agreements and memoranda of understanding as may be necessary to obtain the cooperation of the Inspectors General of the Department of the Treasury and the Small Business Administration in carrying out such function.

(d) ANNUAL REPORT BY SECRETARY.—The Secretary shall submit a report to the Congress annually regarding the operations, activities, financial health, and achievements of the APIC program under this title. The report shall list each investment made by an APIC and include a summary of the examinations conducted under subsection (b)(3), the guarantee actions of HUD, and any regulatory or policy actions taken by HUD. The report shall distinguish recently licensed APICs from APICs that have held licenses for a longer period for purposes of indicating program activities and performance.

(e) GAO REPORT.—

(1) REQUIREMENT.—Not later than 2 years after the date of the enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress regarding the operation of the program under this title for licensing and guarantees for APICs.

(2) CONTENTS.—The report shall include—

(A) an analysis of the operations and monitoring by HUD of the APIC program under this title;

(B) the administrative and capacity needs of HUD required to ensure the integrity of the program;

(C) the extent and adequacy of any credit subsidy appropriated for the program; and

(D) the management of financial risk and liability of the Federal Government under the program.

SEC. 610. PENALTIES.

(a) VIOLATIONS SUBJECT TO PENALTY.—The Secretary may impose a penalty under this subsection on any APIC or manager of an APIC that, by any act, practice, or failure to act, engages in fraud, mismanagement, or noncompliance with this title, the regulations under this title, or a condition of the APIC's license under this title. The Secretary shall, by regulation, identify, by generic description of a role or responsibilities, any manager of an APIC that is subject to a penalty under this section.

(b) PENALTIES REQUIRING NOTICE AND AN OPPORTUNITY TO RESPOND.—If, after notice in writing to an APIC or the manager of an APIC that the APIC or manager has engaged in any action, practice, or failure to act that, under subsection (a), is subject to a penalty, and after an opportunity for the APIC or manager to respond to the notice, the Secretary determines that the APIC or manager engaged in such action or failure to act, the Secretary may, in addition to other penalties imposed—

(1) assess a civil money penalty, except than any civil money penalty under this subsection shall be in an amount not exceeding $10,000;

(2) issue an order to cease and desist with respect to such action, practice, or failure to act of the APIC or manager;

(3) suspend, or condition the use of, the APIC's license, including deferring, for the period of the suspension, any commitment to guarantee any new qualified debenture of the APIC, except that any suspension or condition under this paragraph may not exceed 90 days; and

(4) impose any other penalty that the Secretary determines to be less burdensome to the APIC than a penalty under subsection (c).

(c) PENALTIES REQUIRING NOTICE AND HEARING.—If, after notice in writing to an APIC or the manager of an APIC that an APIC or manager has engaged in any action, practice, or failure to act that, under subsection (a), is subject to a penalty, and after an opportunity for administrative hearing, the Secretary determines that the APIC or manager engaged in such action or failure to act, the Secretary may—

(1) assess a civil money penalty against the APIC or a manager in any amount;

(2) require the APIC to divest any interest in an investment, on such terms and conditions as the Secretary may impose; or

(3) revoke the APIC's license.

(d) EFFECTIVE DATE OF PENALTIES.—

(1) PRIOR NOTICE REQUIREMENT.—Except as provided in paragraph (2) of this subsection, a penalty under subsection (b) or (c) shall not be due and payable and shall not otherwise take effect or be subject to enforcement by an order of a court, before notice of the penalty is published in the Federal Register.

(2) CEASE-AND-DESIST ORDERS AND SUSPENSION OR CONDITIONING OF LICENSE.—In the case of a cease-and-desist order under subsection (b)(2) or the suspension or conditioning of an APIC's license under subsection (b)(3), the following procedures shall apply:

(A) ACTION WITHOUT PUBLISHED NOTICE.—The Secretary may order an APIC or manager to cease and desist from an action, practice, or failure to act or may suspend or condition an APIC's license, for not more than 45 days without prior publication of notice in the Federal Register, but such cease-and-desist order or suspension or conditioning shall take effect only after the Secretary has issued a written notice (which may include a writing in electronic form) of such action to the APIC. Notwithstanding subsection (b), such written notice shall be effective without regard to whether the APIC has been accorded an opportunity to respond. Upon such notice, such cease-and-desist order or suspension or conditioning shall be subject to enforcement by an order of a court.

(B) PUBLICATION OF NOTICE OF SUSPENSION OR CONDITIONING OF LICENSE.—Upon a suspension or conditioning of a license taking effect pursuant to subparagraph (A), the Secretary shall promptly cause a notice of suspension or conditioning of such license for a period of not more than 90 days to be published in the Federal Register. The Secretary shall provide the APIC an opportunity to respond to such notice. For purposes of the determining the duration of the period of any suspension or conditioning under this subparagraph, the first day of such period shall be the day of issuance of the written notice under this paragraph of the suspension or conditioning.

(C) REVOCATION OF LICENSE.—During the period of the suspension or conditioning of an APIC's license, the Secretary may take action under subsection (c)(3) to revoke the license of the APIC, in accordance with the procedures applicable to such subsection. Notwithstanding any other provision of this section, if the Secretary takes such action, the Secretary may extend the suspension or conditioning of the APIC's license, for one or more periods of not more than 90 days each, by causing notice of such action to be published in the Federal Register—

(i) for the first such extension, before the expiration of the period under subparagraph (B); and

(ii) for any subsequent extension, before the expiration of the preceding extension period under this subparagraph.

(D) TERM OF EFFECTIVENESS.—A cease-and-desist order or the suspension or conditioning of an APIC's license by the Secretary under this paragraph shall remain in effect in accordance with the terms of the order, suspension, or conditioning until final adjudication in any action undertaken to challenge the order, or the suspension or conditioning, or the revocation, of an APIC's license.

SEC. 611. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title shall take effect upon the expiration of the 6-month period beginning on the date of the enactment of this Act.

(b) ISSUANCE OF REGULATIONS AND GUIDELINES.—Any authority under this title of the Secretary, the Administrator, and the Secretary of the Treasury to issue regulations, standards, guidelines, or licensing requirements, and any authority of such officials to consult or enter into agreements or memoranda of understanding regarding such issuance, shall take effect on the date of the enactment of this Act.

SEC. 612. SUNSET.

After the expiration of the 5-year period beginning upon the date that the Secretary awards the first license for an APIC under this title—

(1) the Secretary may not license any APIC; and

(2) no amount may be appropriated for the costs (as such term is defined in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c)) of any guarantee under this title for any debenture issued by an APIC.

This section may not be construed to prohibit, limit, or affect the award, allocation, or use of any budget authority for the costs of such guarantees that is appropriated before the expiration of such period.

TITLE VII—NEW MARKETS TAX CREDIT

SEC. 701. NEW MARKETS TAX CREDIT.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits), as amended by section 201(a), is amended by adding at the end the following new section:

"SEC. 45E. NEW MARKETS TAX CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—For purposes of section 38, in the case of a taxpayer who holds a qualified equity investment on a credit allowance date of such investment which occurs during the taxable year, the new markets tax credit determined under this section for such taxable year is an amount equal to the applicable percentage of the amount paid to the qualified community development entity for such investment at its original issue.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage is—

''(A) 5 percent with respect to the first 3 credit allowance dates, and

''(B) 6 percent with respect to the remainder of the credit allowance dates.

''(3) CREDIT ALLOWANCE DATE.—For purposes of paragraph (1), the term 'credit allowance date' means, with respect to any qualified equity investment—

''(A) the date on which such investment is initially made, and

''(B) each of the 6 anniversary dates of such date thereafter.

''(b) QUALIFIED EQUITY INVESTMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified equity investment' means any equity investment in a qualified community development entity if—

''(A) such investment is acquired by the taxpayer at its original issue (directly or through an underwriter) solely in exchange for cash,

''(B) substantially all of the proceeds from such investment is used by the qualified community development entity to make qualified low-income community investments, and

''(C) such investment is designated for purposes of this section by the qualified community development entity.

Such term shall not include any equity investment issued by a qualified community development entity more than 5 years after the date that such entity receives an allocation under subsection (f). Any allocation not used within such 5-year period may be reallocated by the Secretary under subsection (f).

''(2) LIMITATION.—The maximum amount of equity investments issued by a qualified community development entity which may be designated under paragraph (1)(C) by such entity shall not exceed the portion of the limitation amount allocated under subsection (f) to such entity.

''(3) SAFE HARBOR FOR DETERMINING USE OF CASH.—The requirement of paragraph (1)(B) shall be treated as met if at least 85 percent of the aggregate gross assets of the qualified community development entity are invested

in qualified low-income community investments.

''(4) TREATMENT OF SUBSEQUENT PURCHASERS.—The term 'qualified equity investment' includes any equity investment which would (but for paragraph (1)(A)) be a qualified equity investment in the hands of the taxpayer if such investment was a qualified equity investment in the hands of a prior holder.

''(5) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this subsection.

''(6) EQUITY INVESTMENT.—The term 'equity investment' means—

''(A) any stock in a qualified community development entity which is a corporation, and

''(B) any capital interest in a qualified community development entity which is a partnership.

''(c) QUALIFIED COMMUNITY DEVELOPMENT ENTITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified community development entity' means any domestic corporation or partnership if—

''(A) the primary mission of the entity is serving, or providing investment capital for, low-income communities or low-income persons,

''(B) the entity maintains accountability to residents of low-income communities through representation on governing or advisory boards or otherwise, and

''(C) the entity is certified by the Secretary for purposes of this section as being a qualified community development entity.

''(2) SPECIAL RULES FOR CERTAIN ORGANIZATIONS.—The requirements of paragraph (1) shall be treated as met by—

''(A) any specialized small business investment company (as defined in section 1044(c)(3)), and

''(B) any community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702)).

''(d) QUALIFIED LOW-INCOME COMMUNITY INVESTMENTS.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified low-income community investment' means—

''(A) any equity investment in, or loan to, any qualified active low-income community business,

''(B) the purchase from another community development entity of any loan made by such entity which is a qualified low-income community investment if the amount received by such other entity from such purchase is used by such other entity to make qualified low-income community investments,

''(C) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, low-income communities, and

''(D) any equity investment in, or loan to, any qualified community development entity if substantially all of the investment or loan is used by such entity to make qualified low-income community investments described in subparagraphs (A), (B), and (C).

''(2) QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified active low-income community business' means, with respect to any taxable year, any corporation or partnership if for such year—

''(i) at least 50 percent of the total gross income of such entity is derived from the active conduct of a qualified business within any low-income community,

''(ii) a substantial portion of the use of the tangible property of such entity (whether owned or leased) is within any low-income community,

''(iii) a substantial portion of the services performed for such entity by its employees are performed in any low-income community,

''(iv) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to collectibles (as defined in section 408(m)(2)) other than collectibles that are held primarily for sale to customers in the ordinary course of such business, and

''(v) less than 5 percent of the average of the aggregate unadjusted bases of the property of such entity is attributable to nonqualified financial property (as defined in section 1397C(e)).

''(B) PROPRIETORSHIP.—Such term shall include any business carried on by an individual as a proprietor if such business would meet the requirements of subparagraph (A) were it incorporated.

''(C) PORTIONS OF BUSINESS MAY BE QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESS.—The term 'qualified active low-income community business' includes any trades or businesses which would qualify as a qualified active low-income community business if such trades or businesses were separately incorporated.

''(3) QUALIFIED BUSINESS.—For purposes of this subsection, the term 'qualified business' has the meaning given to such term by section 1397C(d); except that—

''(A) in lieu of applying paragraph (2)(B) thereof, the rental to others of real property located in any low-income community shall be treated as a qualified business if there are substantial improvements located on such property,

''(B) paragraph (3) thereof shall not apply, and

''(C) such term shall not include any business if a significant portion of the equity interests in such business are held by any person who holds a significant portion of the equity investments in the community development entity.

''(e) LOW-INCOME COMMUNITY.—For purposes of this section—

''(1) IN GENERAL.—The term 'low-income community' means any population census tract if—

''(A) the poverty rate for such tract is at least 20 percent,

''(B)(i) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of statewide median family income, or

''(ii) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the greater of statewide median family income or the metropolitan area median family income, or

''(C) as determined by the Secretary based on objective criteria, a substantial population of low-income individuals reside in such tract, an inadequate access to investment capital exists in such tract, or other indications of economic distress exist in such tract.

''(2) AREAS NOT WITHIN CENSUS TRACTS.—In the case of an area which is not tracted for population census tracts, the equivalent county divisions (as defined by the Bureau of the Census for purposes of defining poverty areas) shall be used for purposes of determining poverty rates and median family income.

''(f) NATIONAL LIMITATION ON AMOUNT OF INVESTMENTS DESIGNATED.—

''(1) IN GENERAL.—There is a new markets tax credit limitation for each calendar year. Such limitation is—

''(A) $500,000,000 for 2001,

''(B) $1,500,000,000 for 2002 and 2003,

''(C) $2,500,000,000 for 2004 and 2005,

''(D) $3,000,000,000 for 2006,

''(E) $3,500,000,000 for 2007.

''(2) ALLOCATION OF LIMITATION.—The limitation under paragraph (1) shall be allocated by the Secretary among qualified community development entities selected by the Secretary. In making allocations under the preceding sentence, the Secretary shall give priority to entities with records of having successfully provided capital or technical assistance to disadvantaged businesses or communities.

''(3) CARRYOVER OF UNUSED LIMITATION.—If the new markets tax credit limitation for any calendar year exceeds the aggregate amount allocated under paragraph (2) for such year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

''(g) RECAPTURE OF CREDIT IN CERTAIN CASES.—

''(1) IN GENERAL.—If, at any time during the 7-year period beginning on the date of the original issue of a qualified equity investment in a qualified community development entity, there is a recapture event with respect to such investment, then the tax imposed by this chapter for the taxable year in which such event occurs shall be increased by the credit recapture amount.

''(2) CREDIT RECAPTURE AMOUNT.—For purposes of paragraph (1), the credit recapture amount is an amount equal to the sum of—

''(A) the aggregate decrease in the credits allowed to the taxpayer under section 38 for all prior taxable years which would have resulted if no credit had been determined under this section with respect to such investment, plus

''(B) interest at the overpayment rate established under section 6621 on the amount determined under subparagraph (A) for each prior taxable year for the period beginning on the due date for filing the return for the prior taxable year involved.

No deduction shall be allowed under this chapter for interest described in subparagraph (B).

''(3) RECAPTURE EVENT.—For purposes of paragraph (1), there is a recapture event with respect to an equity investment in a qualified community development entity if—

''(A) such entity ceases to be a qualified community development entity,

''(B) the proceeds of the investment cease to be used as required of subsection (b)(1)(B), or

''(C) such investment is redeemed by such entity.

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.

''(h) BASIS REDUCTION.—The basis of any qualified equity investment shall be reduced

by the amount of any credit determined under this section with respect to such investment.

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out this section, including regulations—

''(1) which limit the credit for investments which are directly or indirectly subsidized by other Federal benefits (including the credit under section 42 and the exclusion from gross income under section 103),

''(2) which prevent the abuse of the provisions of this section through the use of related parties,

''(3) which impose appropriate reporting requirements, and

''(4) which apply the provisions of this section to newly formed entities.''.

(b) CREDIT MADE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Subsection (b) of section 38, as amended by section 201(b), is amended by striking ''plus'' at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting '', plus'', and by adding at the end the following new paragraph:

''(14) the new markets tax credit determined under section 45E(a).''.

(2) LIMITATION ON CARRYBACK.—Subsection (d) of section 39, as amended by section 201(d), is amended by adding at the end the following new paragraph:

''(10) NO CARRYBACK OF NEW MARKETS TAX CREDIT BEFORE JANUARY 1, 2001.—No portion of the unused business credit for any taxable year which is attributable to the credit under section 45E may be carried back to a taxable year ending before January 1, 2001.''.

(c) DEDUCTION FOR UNUSED CREDIT.—Subsection (c) of section 196 is amended by striking ''and'' at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting '', and'', and by adding at the end the following new paragraph:

''(9) the new markets tax credit determined under section 45E(a).''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1, as amended by section 201(e), is amended by adding at the end the following new item:

''Sec. 45E. New markets tax credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to investments made after December 31, 2000.

(f) REGULATIONS ON ALLOCATION OF NATIONAL LIMITATION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary's delegate shall prescribe regulations which specify objective criteria to be used in making the allocations under section 45E(f)(2) of the Internal Revenue Code of 1986, as added by this section.

TITLE VIII—COMMUNITY DEVELOPMENT AND VENTURE CAPITAL

SEC. 800. SHORT TITLE.

This title may be cited as the ''Community Development and Venture Capital Act of 2000''.

Subtitle A—New Markets Venture Capital Program

SEC. 801. NEW MARKETS VENTURE CAPITAL PROGRAM.

(a) IN GENERAL.—Title III of the Small Business Investment Act of 1958 (15 U.S.C. 681 et seq.) is amended—

(1) by striking the title designation and heading and inserting the following:

''TITLE III—INVESTMENT DIVISION PROGRAMS

''PART A—SMALL BUSINESS INVESTMENT COMPANIES'';

and

(2) by adding at the end the following:

''PART B—NEW MARKETS VENTURE CAPITAL PROGRAM

''SEC. 351. DEFINITIONS.

''In this part—

''(1) the term 'eligible company' means a company that—

''(A) is a newly formed for-profit entity, which may be a newly formed for-profit subsidiary of an existing entity; and

''(B) has a management team with experience in community development financing or relevant venture capital financing;

''(2) the term 'low-income individual' means an individual whose income (adjusted for family size) does not exceed—

''(A) for metropolitan areas, 80 percent of the area median income; and

''(B) for nonmetropolitan areas, the greater of—

''(i) 80 percent of the area median income; or

''(ii) 80 percent of the statewide nonmetropolitan area median income;

''(3) the term 'low- or moderate-income geographic area' means—

''(A) any population census tract (or in the case of an area that is not tracted for population census tracts, the equivalent county division, as defined by the Bureau of the Census of the Department of Commerce for purposes of defining poverty areas) if—

''(i) the poverty rate for such census tract is not less than 20 percent;

''(ii)(I) in the case of a tract located within a metropolitan area, the median family income for such tract does not exceed the greater of 80 percent of the statewide median family income or 80 percent of the metropolitan area median family income; or

''(II) in the case of a tract not located within a metropolitan area, the median family income for such tract does not exceed 80 percent of the statewide median family income; or

''(iii) as determined by the Administrator based on objective criteria, a substantial population of low-income individuals reside, an inadequate access to investment capital exists, or other indications of economic distress exist; or

''(B) any area located within—

''(i) a HUBZone (as defined in section 3(p) of the Small Business Act and the implementing regulations issued under that section);

''(ii) an urban empowerment zone or urban enterprise community (as designated by the Secretary of Housing and Urban Development); or

''(iii) a rural empowerment zone or rural enterprise community (as designated by the Secretary of Agriculture);

''(4) the terms 'new markets venture capital company' and 'NMVC company' mean a company that has been designated as a new markets venture capital company by the Administrator under section 354(d);

''(5) the term 'participation agreement' means an agreement, between the Administrator and a company granted final approval under section 354(e), that—

''(A) details the company's operating plan and investment criteria; and

''(B) requires the company to make investments in smaller enterprises at least 80 percent of which are located in low- or moderate-income geographic areas; and

''(6) the term 'specialized small business investment company' means any small business investment company that—

''(A) invests solely in small business concerns that contribute to a well-balanced national economy by facilitating ownership in such concerns by persons whose participation in the free enterprise system is hampered because of social or economic disadvantages;

''(B) is organized or chartered under State business or nonprofit corporations statutes, or formed as a limited partnership; and

''(C) was licensed under section 301(d), as in effect before September 30, 1996.

''SEC. 352. PURPOSES.

''The purposes of this part are—

''(1) to encourage venture capital investment in smaller enterprises located within urban and rural areas;

''(2) to promote the creation of wealth, economic development, and job opportunities in low- and moderate-income geographic areas; and

''(3) to establish a venture capital program, which shall be administered by the Administrator—

''(A) to make grants to NMVC companies for the purpose of providing marketing, management, and technical assistance to smaller enterprises financed, or expected to be financed, by such companies; and

''(B) to guarantee debentures issued by NMVC companies to enable such companies to make venture capital investments in smaller enterprises within urban and rural areas.

''SEC. 353. PROGRAM ESTABLISHMENT.

''There is established a New Markets Venture Capital Program, under which the Administrator is authorized to—

''(1) make grants to NMVC companies, as provided in section 355; and

''(2) guarantee debentures issued by NMVC companies, as provided in section 356.

''SEC. 354. SELECTION OF NMVC COMPANIES.

''(a) APPLICATIONS.—In order to be eligible to participate in the program under this part as an NMVC company, an eligible company shall submit to the Administrator an application, within such period of time as the Administrator shall establish, which shall include—

''(1) a business plan that describes the manner and geographic areas in which the applicant will make successful venture capital investments in smaller enterprises described in subparagraphs (A) and (B) of section 351(5) and provide marketing, management, and technical assistance to those enterprises;

''(2) the qualifications and general business reputation of the management of the applicant, specifically addressing—

''(A) the experience of the management in making venture capital investments in smaller enterprises described in subparagraphs (A) and (B) of section 351(5); and

''(B) the success of those investments in terms of business growth, jobs created, and such other factors as the Administrator may require; and

''(3) a description of the manner in which the applicant will interface with community organizations;

''(4) a proposal describing the manner in which grant amounts made available under this part would provide marketing, management, and technical assistance to smaller enterprises expected to be financed by the applicant;

''(5) proposed criteria by which to evaluate the performance of the applicant in meeting program objectives;

''(6) the management and financial strength of any parent or affiliated firm, or any firm essential to the success of the business plan of the applicant;

''(7) with respect to binding commitments to be made to the company under this part, an estimate of the ratio of cash to in-kind contributions; and

''(8) such other information as the Administrator may require.

''(b) CRITERIA FOR CONDITIONAL APPROVAL.—

''(1) IN GENERAL.—Upon receipt of an application submitted under subsection (a), the Administrator shall review the application and make a determination regarding whether to grant conditional approval to the applicant to operate as an NMVC company during the time period described in subsection (c), based on—

''(A) the geographic area and employment characteristics of the smaller enterprises in which the proposed investments of the NMVC company will be made (in order to promote investment nationwide);

''(B) the likelihood that the applicant will meet the goals of the business plan of the applicant;

''(C) the experience and background of the company's management team;

''(D) the need for equity or equity-type investments within the proposed investment areas;

''(E) the extent to which the applicant will concentrate its activities on serving its investment areas;

''(F) the likelihood that the applicant will be able to satisfy the requirements of subsection (c);

''(G) the extent to which the proposed activities will expand economic opportunities within the investment areas; and

''(H) such other factors as the Administrator determines to be appropriate.

''(2) NATIONWIDE DISTRIBUTION.—The Administrator shall select companies under paragraph (1) in such a way that promotes investment nationwide.

''(c) REQUIREMENTS FOR FINAL APPROVAL.—

''(1) IN GENERAL.—Subject to paragraph (2), each applicant that is granted conditional approval by the Administrator to operate as an NMVC company under subsection (b), shall, before the expiration of a time period established by the Administrator not to exceed 24 months, beginning on the date on which such conditional approval is granted—

''(A) raise not less than $5,000,000 of contributed capital or binding capital commitments from 1 or more investors (other than an agency of the Federal Government) that meet criteria established by the Administrator; and

''(B) in order to provide marketing, management, and technical assistance, have—

''(i) cash or binding commitments for contributions (in cash or in-kind) from 1 or more sources other than the Administration that meet criteria established by the Administrator, payable or available over a multiyear period acceptable to the Administrator (not to exceed 10 years), in an amount equal to 30 percent of the capital and commitments raised under subparagraph (A);

''(ii) purchased an annuity from an insurance company acceptable to the Administrator, using amounts (other than the amounts raised to satisfy the requirements of subparagraph (A)) from any source other than the Administration, that would yield cash payments over a multiyear period acceptable to the Administrator (not to exceed 10 years), in an amount equal to 30 percent of the capital and commitments raised under subparagraph (A); or

''(iii) cash or binding commitments for contributions (in cash or in-kind) of the type described in clause (i) and have purchased an annuity of the type described in clause (ii), that in the aggregate make available, over a multiyear period acceptable to the Administrator (not to exceed 10 years), an amount equal to 30 percent of the capital and commitments raised under subparagraph (A).

''(2) EXCEPTION.—The Administrator may, in the discretion of the Administrator and based upon a showing of special circumstances and good cause, consider an applicant to have satisfied the requirements of paragraph (1)(B) if the applicant has—

''(A) a viable plan that reasonably projects the capacity of the applicant to raise the amount (in cash or in-kind) required under paragraph (1)(B); and

''(B) binding commitments in an amount not less than 20 percent of the total amount required under paragraph (1)(B).

''(d) GRANT OF FINAL APPROVAL; DESIGNATION.—The Administrator shall, with respect to each applicant conditionally approved to operate as an NMVC company under subsection (b), either—

''(1) grant final approval to the applicant to operate as an NMVC company under this part and designate the applicant as an NMVC company, if the applicant—

''(A) satisfies the requirements of subsection (c) on or before the expiration of the time period described in that subsection; and

''(B) enters into a participation agreement with the Administrator; or

''(2) if the applicant fails to satisfy the requirements of subsection (c) on or before the expiration of the time period described in that subsection, revoke the conditional approval granted under that subsection.

''SEC. 355. TECHNICAL ASSISTANCE GRANTS.

''(a) GRANTS.—

''(1) IN GENERAL.—The Administrator, in accordance with such terms and conditions as the Administrator may require, is authorized to award 1 or more grants to each NMVC company or to any other entity, as authorized by this part, which shall be used to provide marketing, management, and technical assistance for the benefit of smaller enterprises financed, or expected to be financed, by the NMVC company or other authorized entity.

''(2) MULTIYEAR GRANTS.—Amounts from a grant awarded under this section shall be paid upon the direction of the Administrator over a multiyear period of not to exceed 10 years.

''(3) GRANTS TO SPECIALIZED SMALL BUSINESS INVESTMENT COMPANIES.—

''(A) AUTHORITY.—In accordance with this section, the Administrator may make grants to specialized small business investment companies to provide marketing, management, and technical assistance to smaller enterprises financed, or expected to be financed, by such companies after the effective date of the Community Development and Venture Capital Act of 2000.

''(B) USE OF FUNDS.—The proceeds of a grant made under this paragraph may be used by the company receiving such grant only to provide marketing, management, and technical assistance in connection with an equity or equity-type investment (made with capital raised after the effective date of the Community Development and Venture Capital Act of 2000) in a business located in a low- or moderate-income geographic area.

''(C) SUBMISSION OF PLANS.—A specialized small business investment company shall be eligible for a grant under this section only if the company submits to the Administrator, in such form and manner as the Administrator may require, a plan for use of the grant.

''(4) GRANT AMOUNT.—

''(A) IN GENERAL.—Subject to subparagraph (B), the amount of a grant awarded to an NMVC company or other authorized entity under this subsection shall be equal to 30 percent of the amount of capital and commitments raised under section 354(c)(1)(A).

''(B) MATCHING REQUIREMENT.—In order to receive funds under a grant awarded under this subsection, an NMVC company or other authorized entity shall provide a matching contribution (in cash or in-kind) from sources other than the Administration, in an amount equal to the funds to received.

''(5) PRO RATA REDUCTIONS.—If the amount made available to carry out this section for a fiscal year is insufficient for the Administrator to award grants in the amounts required under paragraph (4), the Administrator shall make pro rata reductions in the amounts otherwise payable to each NMVC company or other authorized entity under that paragraph.

''(b) SUPPLEMENTAL GRANTS.—

''(1) IN GENERAL.—In addition to any grant under subsection (a), the Administrator, in accordance with such terms and conditions as the Administrator may require, may make 1 or more supplemental grants to an NMVC company or other authorized entity, which shall be used to provide additional marketing, management, and technical assistance for the benefit of smaller enterprises financed, or expected to be financed, by the NMVC company or other authorized entity.

''(2) MATCHING REQUIREMENT.—The Administrator may require, as a condition of any supplemental grant made under this subsection, that the NMVC company provide a matching contribution (in cash or in-kind) from 1 or more sources other than the Administrator in an amount equal to the amount of the supplemental grant.

''(c) LIMITATION.—No part of any grant made available under this section may be used for any purpose other than to provide direct technical and financial assistance to smaller enterprises financed, or expected to be financed, by the NMVC companies or other authorized entities.

''SEC. 356. DEBENTURES.

''(a) IN GENERAL.—The Administrator is authorized to guarantee the timely payment of principal and interest as scheduled on debentures issued by NMVC companies, in accordance with such terms and conditions the Administrator determines to be appropriate.

''(b) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts that may be required to be paid under any guarantee under this section.

''(c) DEBENTURE REQUIREMENTS.—A debenture guaranteed under this section—

''(1) may be issued for a term of not to exceed 15 years;

''(2) shall bear interest at a rate approved by the Administrator; and

''(3) shall contain such other terms and conditions as the Administrator may require.

''(d) TOTAL FACE VALUE.—The total face amount of debentures issued by an NMVC company and guaranteed under this section that may be outstanding at any 1 time shall not exceed 150 percent of the contributed capital of the NMVC company, as determined by the Administrator. For purposes of this subsection, the contributed capital of an NMVC company includes capital that is

deemed to be Federal funds contributed by an investor other than an agency of the Federal Government.

"SEC. 357. ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.

"(a) IN GENERAL.—The Administrator (or an agent of the Administrator) is authorized to issue trust certificates representing ownership of all or a fractional part of debentures guaranteed by the Administrator under section 356, if such trust certificates are based on and backed by a trust or pool approved by the Administrator and composed solely of debentures guaranteed under section 356.

"(b) GUARANTEE AUTHORITY.—

"(1) IN GENERAL.—The Administrator is authorized to, upon such terms and conditions as the Administrator determines to be appropriate, guarantee the timely payment of the principal of and interest on any trust certificate issued under this section.

"(2) LIMITATION.—A guarantee under this subsection shall be limited to the extent of the principal of and interest on the guaranteed debentures that compose the trust or pool described in subsection (a).

"(3) REDUCTION.—If a debenture in a trust or pool described in subsection (a) is prepaid, or in the event of default of a debenture, the guarantee of timely payment of principal and interest on the related trust certificate issued under this section shall be reduced in proportion to the amount of principal and interest that such prepaid debenture represents in that trust or pool.

"(4) ACCRUAL OF INTEREST.—Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Administrator only through the date of payment of the guarantee.

"(5) REDEMPTION OF TRUST CERTIFICATES.—During the term of any trust certificate issued under this subsection, the trust certificate may be called for redemption due to prepayment or default of all debentures in the trust or pool.

"(c) FULL FAITH AND CREDIT.—The full faith and credit of the United States is pledged to the payment of all amounts that may be required to be paid under any guarantee of a trust certificate issued under this section.

"(d) FEES.—The Administrator shall not collect a fee for any guarantee of a trust certificate issued under this section, except that nothing in this subsection may be construed to preclude an agent of the Administrator from collecting a fee approved by the Administrator for the functions described in subsection (f)(2).

"(e) SUBROGATION.—

"(1) IN GENERAL.—If the Administrator pays a claim under a guarantee issued under this section, the Administration shall be subrogated fully to the rights satisfied by such payment.

"(2) OWNERSHIP RIGHTS.—No Federal, State, or local law shall preclude or limit the exercise by the Administrator of the ownership rights of the Administrator in the debentures residing in a trust or pool against which trust certificates are issued under this section.

"(f) CENTRAL REGISTRATION.—

"(1) IN GENERAL.—The Administrator may provide for a central registration of all trust certificates issued under this section.

"(2) CONTRACTING OF FUNCTIONS.—

"(A) IN GENERAL.—The Administrator may contract with an agent or agents to carry out on behalf of the Administrator the pooling and the central registration functions of this section including, notwithstanding any other provision of law—

"(i) maintenance on behalf of and under the direction of the Administrator of such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate trusts or pools backed by debentures guaranteed under this part; and

"(ii) the issuance of trust certificates to facilitate such poolings.

"(B) FIDELITY BOND OR INSURANCE REQUIRED.—An agent contracting with the Administrator under this paragraph shall be required to provide a fidelity bond or insurance in such amounts as the Administrator determines to be necessary to fully protect the interests of the Government.

"(3) REGULATION OF BROKERS AND DEALERS.—Notwithstanding section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)), the Administrator may regulate brokers and dealers in trust certificates issued under this section.

"(4) ELECTRONIC REGISTRATION.—Nothing in this subsection may be construed to prohibit the use of a book-entry or other electronic form of registration for trust certificates issued under this section.

"SEC. 358. FEES.

"Except as provided under section 357(d), the Administrator may charge such fees as the Administrator determines to be appropriate with respect to any guarantee issued or grant awarded under this part.

"SEC. 359. BANK PARTICIPATION.

"Any national bank, or any member bank of the Federal Reserve System or nonmember insured bank to the extent permitted under applicable State law, may invest in any 1 or more NMVC companies, or in any entity established to invest solely in NMVC companies, except that in no event shall the total amount of such investments of any such bank exceed 5 percent of the total capital and surplus of the bank.

"SEC. 360. FEDERAL FINANCING BANK.

"Section 318 shall not apply to any debenture issued by a NMVC company under this part.

"SEC. 361. REPORTING REQUIREMENTS.

"Each NMVC company shall provide to the Administrator such information as the Administrator may request, including—

"(1) information related to the measurement criteria that the NMVC company proposed in the application submitted under section 354(a);

"(2) documentation on the use of technical assistance grants under this part; and

"(3) in each case in which the company under this part makes an investment in, or a loan or grant to, a business that is not located in a low- or moderate-income geographic area, a report on the number and percentage of employees of the business who reside in such areas.

"SEC. 362. EXAMINATIONS.

"(a) IN GENERAL.—Each NMVC company shall be subject to examinations made at the direction of the Investment Division of the Administration, which may be conducted with the assistance of a private sector entity that has both the qualifications to conduct and the expertise in conducting such examinations.

"(b) ASSESSMENT OF COSTS.—The cost of such examinations, including the compensation of the examiners, may in the discretion of the Administrator be assessed against the company examined and when so assessed shall be paid by such company.

"(c) DEPOSIT OF FEES.—Fees collected under this section shall be deposited in the account for salaries and expenses of the Administration.

"SEC. 363. INJUNCTIONS AND OTHER ORDERS.

"(a) IN GENERAL.—If, in the judgment of the Administrator, an NMVC company or any other person has engaged or is about to engage in any act or practice that constitutes or will constitute a violation of any provision of this title (or any rule, regulation, or order issued under this title) or of a participation agreement entered into under this part—

"(1) the Administrator may make application to the proper district court of the United States or a United States court of any place subject to the jurisdiction of the United States for an order enjoining such act or practice, or for an order enforcing compliance with such provision; and

"(2) such court shall—

"(A) have jurisdiction over such application and any ensuing proceedings; and

"(B) upon a showing by the Administrator that such NMVC company or other person has engaged or is about to engage in any such act or practice, grant without bond a permanent or temporary injunction, restraining order, or other appropriate order.

"(b) POWERS OF COURT.—In any proceeding under subsection (a)—

"(1) the court as a court of equity may, to such extent as the court determines to be necessary, take exclusive jurisdiction of the NMVC company and the assets thereof, wherever located; and

"(2) the court shall have jurisdiction in any such proceeding to appoint a trustee or receiver to hold or administer under the direction of the court the assets so possessed.

"(c) TRUSTEE OR RECEIVER.—The Administrator is authorized to act as trustee or receiver of the NMVC company. Upon request by the Administrator, the court may appoint the Administrator to act in such capacity unless the court determines such appointment to be inequitable or otherwise inappropriate based on the special circumstances at issue.

"SEC. 364. UNLAWFUL ACTS AND OMISSIONS BY OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS; BREACH OF FIDUCIARY DUTY.

"(a) IN GENERAL.—If an NMVC company violates any provision of this title (or any rule or regulation issued under this title), or of a participation agreement entered into under this part, by failing to comply with the terms thereof or by engaging in any act or practice that constitutes or will constitute a violation thereof, such violation shall be deemed to be also a violation and an unlawful act on the part of any person who, directly or indirectly, authorizes, orders, participates in, or causes, brings about, counsels, aids, or abets in the commission of any act, practice, or transaction that constitutes or will constitute, in whole or in part, such violation.

"(b) BREACH OF FIDUCIARY DUTY.—It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct of the affairs of an NMVC company to engage in any act or practice, or to omit any act, in breach of the fiduciary duty of such officer, director, employee, agent, or participant, if, as a result thereof, the NMVC company has suffered or is in imminent danger of suffering financial loss or other damage.

"(c) OTHER PROHIBITIONS.—Except with the written consent of the Administrator, it shall be unlawful—

"(1) for any person to take office as an officer, director, or employee of an NMVC company, or to become an agent or participant in the conduct of the affairs or management of an NMVC company, if that person—

''(A) has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

''(B) has been found civilly liable in damages, or has been permanently or temporarily enjoined by order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust; or

''(2) for any person to continue to serve in any of the above-described capacities, if that person is subsequently—

''(A) convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

''(B) found civilly liable in damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust.

''(d) NOTICE.—The Administrator may serve upon any officer, director, employee, or other participant in the conduct of the management or other affairs of an NMVC company a written notice of the intention of the Administrator to remove that person from his or her position whenever, in the opinion of the Administrator, that person—

''(1) has willfully committed any substantial violation of—

''(A) this title (or any rule, regulation, or order issued under this title); or

''(B) a participation agreement entered into under this part; or

''(C) a cease-and-desist order that has become final; or

''(2) has willfully committed or engaged in any act, omission, or practice that constitutes a substantial breach of fiduciary duty, and that such violation or such breach of fiduciary duty is one involving personal dishonesty on the part of such person.

''(e) SUSPENSION OR REMOVAL.—The Administrator may suspend or remove from office any person upon whom the Administrator has served a notice under subsection (d), in accordance with the procedures set forth in section 313.

''SEC. 365. REGULATIONS.

''The Administrator may promulgate such regulations as the Administrator determines to be necessary to carry out this part.

''SEC. 366. AUTHORIZATIONS.

''(a) IN GENERAL.—For fiscal years 2000 through 2005, the Administration is authorized to be appropriated, to remain available until expended—

''(1) such subsidy budget authority as may be necessary to guarantee $150,000,000 of debentures under this part; and

''(2) $30,000,000 to make grants under this part.

''(b) FUNDS COLLECTED FOR EXAMINATIONS.—Funds deposited under section 362(c) are authorized to be appropriated only for the costs of examinations under section 362 and for the costs of other oversight activities with respect to the program established under this part.''.

(b) CONFORMING AMENDMENT.—Section 20(e)(1)(C) of the Small Business Act (15 U.S.C. 631 note) is amended by inserting ''part A of'' before ''title III''.

SEC. 802. BANKRUPTCY EXEMPTION FOR NMVC COMPANIES.

Section 109(b)(2) of title 11, United States Code, is amended by inserting after ''homestead association,'' the following: ''a new markets venture capital company (as defined in section 351 of the Small Business Investment Act of 1958),''.

SEC. 803. FEDERAL SAVINGS ASSOCIATIONS.

Section 5(c)(4) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(4)) is amended by adding at the end the following:

''(F) NEW MARKETS VENTURE CAPITAL COMPANIES.—A Federal savings association may invest in stock, obligations, or other securities of any new markets venture capital company (as defined in section 351 of the Small Business Investment Act of 1958). A Federal savings association may not make any investment under this subparagraph if its aggregate outstanding investment under this subparagraph would exceed 5 percent of the capital and surplus of such savings association.''.

Subtitle B—Community Development Venture Capital Assistance

SEC. 811. FINDINGS.

Congress finds that—

(1) there is a need for the development and expansion of organizations that provide private equity capital to smaller businesses in areas in which equity-type capital is scarce, such as inner cities and rural areas, in order to create and retain jobs for low-income residents of those areas;

(2) to invest successfully in smaller businesses, particularly in inner cities and rural areas, requires highly specialized investment and management skills;

(3) there is a shortage of professionals who possess such skills and there are few training grounds for individuals to obtain those skills;

(4) providing assistance to organizations that provide specialized technical assistance and training to individuals and organizations seeking to enter or expand in this segment of the market would stimulate small business development and entrepreneurship in economically distressed communities; and

(5) assistance from the Federal Government could act as a catalyst to attract investment from the private sector and would help to develop a specialized venture capital industry focused on creating jobs, increasing business ownership, and generating wealth in low-income communities.

SEC. 812. COMMUNITY DEVELOPMENT VENTURE CAPITAL ACTIVITIES.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 34 as section 35; and

(2) by inserting after section 33 the following:

''SEC. 34. COMMUNITY DEVELOPMENT VENTURE CAPITAL ACTIVITIES.

''(a) DEFINITIONS.—In this section:

''(1) COMMUNITY DEVELOPMENT VENTURE CAPITAL ORGANIZATION.—The term 'community development venture capital organization' means a privately-controlled organization that—

''(A) has a primary mission of promoting community development in low-income communities, as defined by the Administrator, through investment in private business enterprises; or

''(B) administers or is in the process of establishing a community development venture capital fund for the purpose of making equity investments in private business enterprises in such communities.

''(2) DEVELOPMENTAL ORGANIZATION.—The term 'developmental organization'—

''(A) means a public or private entity, including a college or university, that provides technical assistance to community development venture capital organizations or that conducts research or training in community development venture capital investment; and

''(B) may include an intermediary organization.

''(3) INTERMEDIARY ORGANIZATION.—The term 'intermediary organization'—

''(A) means a private, nonprofit entity that has—

''(i) a primary mission of promoting community development through investment in private businesses in low-income communities; and

''(ii) significant prior experience in providing technical assistance or financial assistance to community development venture capital organizations;

''(B) may include community development venture capital organizations.

''(b) AUTHORITY.—In order to promote the development of community development venture capital organizations, the Administrator, may—

''(1) enter into contracts with 1 or more developmental organizations to carry out training and research activities under subsection (c); and

''(2) make grants in accordance with this section—

''(A) to developmental organizations to carry out training and research activities under subsection (c); and

''(B) to intermediary organizations to provide intensive marketing, management, and technical assistance and training to community development venture capital organizations under subsection (d).

''(c) TRAINING AND RESEARCH ACTIVITIES.—

''(1) IN GENERAL.—Subject to paragraph (2), a developmental organization that receives a grant under subsection (b) shall use the funds made available through the grant for 1 or more of the following training and research activities:

''(A) STRENGTHENING PROFESSIONAL SKILLS.—Creating and operating training programs to enhance the professional skills for individuals in community development venture capital organizations or operating private community development venture capital funds.

''(B) INCREASING INTEREST IN COMMUNITY DEVELOPMENT VENTURE CAPITAL.—Creating and operating a program to select and place students and recent graduates from business and related professional schools as interns with community development venture capital organizations and intermediary organizations for a period of up to 1 year, and to provide stipends for such interns during the internship period.

''(C) PROMOTING 'BEST PRACTICES'.—Organizing an annual national conference for community development venture capital organizations to discuss and share information on the best practices regarding issues relevant to the creation and operation of community development venture capital organizations.

''(D) MOBILIZING ACADEMIC RESOURCES.—Encouraging the formation of 1 or more centers for the study of community development venture capital at graduate schools of business and management, providing funding for the development of materials for courses on topics in this area, and providing funding for research on economic, operational, and policy issues relating to community development venture capital.

''(2) LIMITATION.—The Administrator shall ensure that not more than 25 percent of the amount made available to carry out this section is used for activities described in paragraph (1).

''(d) INTENSIVE MARKETING, MANAGEMENT, AND TECHNICAL ASSISTANCE AND TRAINING.—An intermediary organization that receives a grant under subsection (b) shall use the funds made available through the grant to provide intensive marketing, management,

and technical assistance and training to promote the development of community development venture capital organizations, which assistance may include grants to community development venture capital organizations for the start up costs and operating support of those organizations.

''(e) MATCHING CONTRIBUTION REQUIREMENT.—The Administrator shall require, as a condition of any grant made to an intermediary organization under this section, that a matching contribution equal to the amount of such grant be provided from sources other than the Federal Government.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for fiscal years 2000 through 2003, to remain available until expended.''.

(b) REQUIREMENTS.—The Administrator of the Small Business Administration may promulgate such regulations as may be necessary to carry out section 34 of the Small Business Act, as amended by this section, which regulations may take effect upon issuance.

Subtitle C—Business LINC

SEC. 821. GRANTS AUTHORIZED.

Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end the following:

''(m) BUSINESS LINC GRANTS.—

''(1) IN GENERAL.—The Administrator may make grants to and enter into cooperative agreements with any coalition of private or public sector participants that—

''(A) expand business-to-business relationships between large and small businesses; and

''(B) provide businesses, directly or indirectly, with online information and a database of companies that are interested in mentor-protegee programs or community-based, state-wide, or local business development programs.

''(2) MATCHING REQUIREMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Administrator may make grants to and enter into cooperative agreements with any coalition of private or public sector participants if the coalition provides a matching amount, either in-kind or in cash, equal to the grant amount.

''(B) WAIVER.—In the best interests of the program, the Administrator may waive the requirements for matching funds to be provided by the coalition.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $6,600,000 for each of fiscal years 2000 through 2003, to remain available until expended.''.

SEC. 822. REGULATIONS.

The Administrator of the Small Business Administration may promulgate such regulations as the Administration determines to be necessary to carry out this title and the amendment made by this title.

TITLE IX—BOND VOLUME CAP AND LOW-INCOME HOUSING CREDIT INCREASES

SEC. 901. INCREASE IN STATE CEILING ON PRIVATE ACTIVITY BONDS.

(a) IN GENERAL.—Paragraphs (1) and (2) of section 146(d) (relating to State ceiling) are amended to read as follows:

''(1) IN GENERAL.—The State ceiling applicable to any State for any calendar year shall be the greater of—

''(A) an amount equal to $75 multiplied by the State population, or

''(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States.

''(2) INFLATION ADJUSTMENT.—In the case of a calendar year after 2001, each of the dollar amounts contained in paragraph (1) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

If any increase determined under the preceding sentence is not a multiple of $1 ($250 in the case of the dollar amount in paragraph (1)(B), such increase shall be rounded to the nearest multiple thereof.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 2000.

SEC. 902. INCREASE IN STATE CEILING ON LOW-INCOME HOUSING CREDIT.

(a) IN GENERAL.—Clause (i) of section 42(h)(3)(C) (relating to State housing credit ceiling) is amended by striking ''$1.25'' and inserting ''$1.75''.

(b) ADJUSTMENT OF STATE CEILING FOR INCREASES IN COST-OF-LIVING.—Paragraph (3) of section 42(h) (relating to housing credit dollar amount for agencies) is amended by adding at the end the following new subparagraph:

''(H) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of a calendar year after 2001, the dollar amount contained in subparagraph (C)(i) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any increase under clause (i) is not a multiple of 5 cents, such increase shall be rounded to the next lowest multiple of 5 cents.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years after 2000.

TITLE X—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 1001. FINDINGS.

Congress makes the following findings:

(1) One-third of all Americans have no assets available for investment, and another 20 percent have only negligible assets. The household savings rate of the United States lags far behind other industrial nations, presenting a barrier to national economic growth and preventing many Americans from entering the economic mainstream by buying a house, obtaining an adequate education, or starting a business.

(2) By building assets, Americans can improve their economic independence and stability, stimulate the development of human and other capital, and work toward a viable and hopeful future for themselves and their children. Thus, economic well-being does not come solely from income, spending, and consumption, but also requires savings, investment, and accumulation of assets.

(3) Traditional public assistance programs based on income and consumption have rarely been successful in promoting and supporting the transition to increased economic self-sufficiency. Income-based social policies that meet consumption needs (including food, child care, rent, clothing, and health care) should be complemented by asset-based policies that can provide the means to achieve long-term independence and economic well-being.

(4) Individual Development Accounts (IDAs) can provide working Americans with strong incentives to build assets, basic financial management training, and access to secure and relatively inexpensive banking services.

(5) There is reason to believe that Individual Development Accounts would also foster greater participation in electric fund transfers (EFT), generate financial returns, including increased income, tax revenue, and decreased welfare cash assistance, that will far exceed the cost of public investment in the program.

SEC. 1002. PURPOSES.

The purposes of this title are to provide for the establishment of individual development account programs that will—

(1) provide individuals and families with limited means an opportunity to accumulate assets and to enter the financial mainstream;

(2) promote education, homeownership, and the development of small businesses;

(3) stabilize families and build communities; and

(4) support continued United States economic expansion.

SEC. 1003. DEFINITIONS.

As used in this title:

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term ''eligible individual'' means an individual who—

(i) has attained the age of 18 years;

(ii) is a citizen or legal resident of the United States; and

(iii) is a member of a household the gross income of which does not exceed 80 percent of the median family income for the area in which such individual resides (as published by the Department of Housing and Urban Affairs).

(B) HOUSEHOLD.—The term ''household'' means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''Individual Development Account'' means an account established for an eligible individual as part of a qualified individual development account program, but only if the written governing instrument creating the account meets the following requirements:

(A) The sole owner of the account is the eligible individual.

(B) No contribution will be accepted unless it is in cash, by check, by electronic fund transfer, or by electronic money order.

(C) The holder of the account is a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(D) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(E) Except as provided in section 1015(b), any amount in the account may be paid out only for the purpose of paying the qualified expenses of the eligible individual.

(3) PARALLEL ACCOUNT.—The term ''parallel account'' means a separate, parallel individual or pooled account for all matching funds and earnings dedicated to an eligible individual as part of a qualified individual account program, the sole owner of which is a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(4) QUALIFIED FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term ''qualified financial institution'' means any person authorized to be a trustee of any individual retirement account under section 408(a)(2).

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing a person described in subparagraph

(A) from collaborating with 1 or more qualified nonprofit organizations or Indian tribes to carry out an individual development account program established under section 1011.

(5) QUALIFIED NONPROFIT ORGANIZATION.—The term ''qualified nonprofit organization'' means—

(A)(i) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code;

(ii) any community development financial institution as certified by the Community Development Financial Institution Fund; or

(iii) any credit union certified by the National Credit Union Administration,

that meets standards for financial management and fiduciary responsibility as defined by the Secretary or an organization designated by the Secretary.

(6) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe as defined in section 4(12) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12), and includes any tribal subsidiary, subdivision, or other wholly owned tribal entity.

(7) QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM.—The term ''qualified individual development program'' means a program established under section 1011 under which—

(A) individual development accounts and parallel accounts are held by a qualified financial institution, a qualified nonprofit organization, or an Indian tribe; and

(B) additional activities determined by the Secretary, or an organization designated by the Secretary, as necessary to responsibly develop and administer accounts, including recruiting, providing financial education and other training to account holders, and regular program monitoring, are carried out by such qualified financial institution, qualified nonprofit organization, or Indian tribe.

(8) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term ''qualified expense distribution'' means any amount paid (including through electronic payments) or distributed out of an Individual Development Account and a parallel account established for an eligible individual if such amount—

(i) is used exclusively to pay the qualified expenses of such individual or such individual's spouse or dependents,

(ii) is paid by the qualified financial institution, qualified nonprofit organization, or Indian tribe directly to the person to whom the amount is due or to another Individual Development Account, and

(iii) is paid after the holder of the Individual Development Account has completed a financial education course as required under section 1012(b).

(B) QUALIFIED EXPENSES.—

(i) IN GENERAL.—The term ''qualified expenses'' means any of the following:

(I) Qualified higher education expenses.

(II) Qualified first-time homebuyer costs.

(III) Qualified business capitalization or expansion costs.

(IV) Qualified rollovers.

(ii) QUALIFIED HIGHER EDUCATION EXPENSES.—

(I) IN GENERAL.—The term ''qualified higher education expenses'' has the meaning given such term by section 72(t)(7) of the Internal Revenue Code of 1986, determined by treating postsecondary vocational educational schools as eligible educational institutions.

(II) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term ''postsecondary vocational educational school'' means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of enactment of this Act.

(III) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2) of such Code and by the amount of such expenses for which a credit or exclusion is allowed under chapter 1 of such Code for such taxable year.

(iii) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ''qualified first-time homebuyer costs'' means qualified acquisition costs (as defined in section 72(t)(8) of such Code without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121 of such Code) for a qualified first-time homebuyer (as defined in section 72(t)(8) of such Code).

(iv) QUALIFIED BUSINESS CAPITALIZATION OR EXPANSION COSTS.—

(I) IN GENERAL.—The term ''qualified business capitalization or expansion costs'' means qualified expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

(II) QUALIFIED EXPENDITURES.—The term ''qualified expenditures'' means expenditures included in a qualified business plan, including capital, plant, equipment, working capital, inventory expenses, attorney and accounting fees, and other costs normally associated with starting or expanding a business.

(III) QUALIFIED BUSINESS.—The term ''qualified business'' means any business that does not contravene any law.

(IV) QUALIFIED BUSINESS PLAN.—The term ''qualified business plan'' means a business plan which meets such requirements as the Secretary or an organization designated by the Secretary may specify.

(v) QUALIFIED ROLLOVERS.—The term ''qualified rollover'' means, with respect to any distribution from an Individual Development Account, the payment, within 120 days of such distribution, of all or a portion of such distribution to such account or to another Individual Development Account established in another qualified financial institution, qualified nonprofit organization, or Indian tribe for the benefit of the eligible individual. Rules similar to the rules of section 408(d)(3) of such Code (other than subparagraph (C) thereof) shall apply for purposes of this clause.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

Subtitle A—Individual Development Accounts for Low-Income Workers

SEC. 1011. STRUCTURE AND ADMINISTRATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe may establish 1 or more qualified individual development account programs which meet the requirements of this title.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All qualified individual development account programs shall consist of the following 2 components:

(A) An Individual Development Account to which an eligible individual may contribute money in accordance with section 1013.

(B) A parallel account to which all matching funds shall be deposited in accordance with section 1014.

(2) TAILORED IDA PROGRAMS.—A qualified financial institution, qualified nonprofit organization, or Indian tribe may tailor its qualified individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses.

(c) ACCOUNT POPULATION DISTRIBUTION REQUIREMENT.—An individual development account program shall be treated as qualified under this title only if not less than one third of the Individual Development Accounts under such program are owned by eligible individuals each of whom is a member of a household the gross income of which does not exceed 50 percent of the median family income for the area in which such individuals reside (as published by the Department of Housing and Urban Affairs).

(d) TAX TREATMENT OF ACCOUNTS.—Any account described in subparagraph (B) of subsection (b)(1) is exempt from taxation under the Internal Revenue Code of 1986 unless such account has ceased to be such an account by reason of section 1015(c) or the termination of the qualified individual development account program under section 1016(b).

SEC. 1012. PROCEDURES FOR OPENING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual must open an Individual Development Account with a qualified financial institution, qualified nonprofit organization, or Indian tribe and contribute money in accordance with section 1013 to qualify for matching funds in a parallel account.

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSE.—

(1) IN GENERAL.—Before becoming eligible to withdraw matching funds to pay for qualified expenses, holders of Individual Development Accounts must complete a financial education course offered by a qualified financial institution, a qualified nonprofit organization, an Indian tribe, or a government entity.

(2) STANDARD AND APPLICABILITY OF COURSE.—The Secretary or an organization designated by the Secretary, in consultation with representatives of qualified individual development account programs and financial educators, shall establish minimum performance standards for financial education courses offered under paragraph (1) and a protocol to exempt eligible individuals from the requirement under paragraph (1) because of hardship or lack of need.

SEC. 1013. CONTRIBUTIONS TO INDIVIDUAL DEVELOPMENT ACCOUNTS.

(a) IN GENERAL.—Except in the case of a qualified rollover, individual contributions to an Individual Development Account will not be accepted for the taxable year in excess of the lesser of—

(1) $2,000; or

(2) an amount equal to the sum of—

(A) the compensation (as defined in section 219(f)(1) of the Internal Revenue Code of 1986) includible in the individual's gross income for such taxable year; and

(B) in the case of an eligible individual who has attained age 65 or retired on disability (within the meaning of section 22 of the Internal Revenue Code of 1986) before the close of the taxable year, any amount received as a pension or annuity or as a disability benefit and excluded from the individual's gross income for such taxable year.

(b) PROOF OF COMPENSATION AND STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal W–2 forms and other forms specified by the Secretary proving the eligible individual's wages and

other compensation (including amounts described in subsection (a)(2)(B)) and the status of the individual as an eligible individual shall be presented at the time of the establishment of the Individual Development Account and at least once annually thereafter.

(c) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to an Individual Development Account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the Federal income tax return for such taxable year (not including extensions thereof).

(d) DEEMED WITHDRAWALS OF EXCESS CONTRIBUTIONS.—If the individual for whose benefit an Individual Development Account is established contributes an amount in excess of the amount allowed under subsection (a) and fails to withdraw the excess contribution plus the amount of net income attributable to such excess contribution on or before the day prescribed by law (including extensions of time) for filing such individual's return of tax for the taxable year, such excess contribution and net income shall be deemed to have been withdrawn on such day by such individual for purposes other than to pay qualified expenses.

(e) CROSS REFERENCE.—

For designation of earned income tax credit payments for deposit to an Individual Development Account, see section 32(o) of the Internal Revenue Code of 1986.

SEC. 1014. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) PARALLEL ACCOUNTS.—The qualified financial institution, qualified nonprofit organization, or Indian tribe shall deposit all matching funds for each Individual Development Account into a parallel account at a qualified financial institution, qualified nonprofit organization, or Indian tribe.

(b) REGULAR DEPOSITS OF MATCHING FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the qualified financial institution, qualified nonprofit organization, or Indian tribe shall not less than annually deposit into the parallel account with respect to each eligible individual the following:

(A) A dollar-for-dollar match for the first $500 contributed by the eligible individual into an Individual Development Account with respect to any taxable year.

(B) Any matching funds provided by State, local, or private sources in accordance to the matching ratio set by those sources.

(2) CROSS REFERENCE.—

For allowance of tax credit for Individual Development Account subsidies, including matching funds, see section 30B of the Internal Revenue Code of 1986.

(c) FORFEITURE OF MATCHING FUNDS.—Matching funds that are forfeited under section 1015(b) shall be used by the qualified financial institution, qualified nonprofit organization, or Indian tribe to pay matches for other Individual Development Account contributions by eligible individuals.

(d) UNIFORM ACCOUNTING REGULATIONS.—The Secretary shall prescribe regulations with respect to accounting for matching funds from all possible sources in the parallel accounts.

(e) REGULAR REPORTING OF ACCOUNTS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe shall report the balances in any Individual Development Account and parallel account of an eligible individual on not less than an annual basis.

SEC. 1015. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—To withdraw money from an eligible individual's Individual Development Account to pay qualified expenses of such individual or such individual's spouse or dependents, the qualified financial institution, qualified nonprofit organization, or Indian tribe shall directly transfer such funds from the Individual Development Account, and, if applicable, from the parallel account electronically to the vendor or other Individual Development Account. If the vendor is not equipped to receive funds electronically, the qualified financial institution, qualified nonprofit organization, or Indian tribe may issue such funds by paper check to the vendor.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—An Individual Development Account holder may unilaterally withdraw funds from the Individual Development Account for purposes other than to pay qualified expenses, but shall forfeit the corresponding matching funds and interest earned on the matching funds by doing so, unless such withdrawn funds are recontributed to such Account by September 30 following the withdrawal.

(c) DEEMED WITHDRAWALS FROM ACCOUNTS OF NONELIGIBLE INDIVIDUALS.—If the individual for whose benefit an Individual Development Account is established ceases to be an eligible individual, such account shall cease to be an Individual Development Account as of the first day of the taxable year of such individual and any balance in such account shall be deemed to have been withdrawn on such first day by such individual for purposes other than to pay qualified expenses.

(d) TAX TREATMENT OF MATCHING FUNDS.—Any amount withdrawn from a parallel account shall not be includible in an eligible individual's gross income.

SEC. 1016. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION PROCEDURES.—Upon establishing a qualified individual development account program under section 1011, a qualified financial institution, qualified nonprofit organization, or Indian tribe shall certify to the Secretary, or an organization designated by the Secretary, on forms prescribed by the Secretary or such organization and accompanied by any documentation required by the Secretary or such organization, that—

(1) the accounts described in subparagraphs (A) and (B) of section 1011(b)(1) are operating pursuant to all the provisions of this title; and

(2) the qualified financial institution, qualified nonprofit organization, or Indian tribe agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary, or an organization designated by the Secretary, determines that a qualified financial institution, qualified nonprofit organization, or Indian tribe under this title is not operating a qualified individual development account program in accordance with the requirements of this title (and has not implemented any corrective recommendations directed by the Secretary or such organization), the Secretary or such organization shall terminate such institution's, nonprofit organization's, or Indian tribe's authority to conduct the program. If the Secretary, or an organization designated by the Secretary, is unable to identify a qualified financial institution, qualified nonprofit organization, or Indian tribe to assume the authority to conduct such program, then any account established for the benefit of any eligible individual under such program shall cease to be an Individual Development Account as of the first day of such termination and any balance in such account shall be deemed to have been withdrawn on such first day by such individual for purposes other than to pay qualified expenses.

SEC. 1017. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS, QUALIFIED NONPROFIT ORGANIZATIONS, AND INDIAN TRIBES.—Each qualified financial institution, qualified nonprofit organization, or Indian tribe that establishes a qualified individual development account program under section 1011 shall report annually to the Secretary, directly or through an organization designated by the Secretary, within 90 days after the end of each calendar year on—

(1) the number of eligible individuals making contributions into Individual Development Accounts;

(2) the amounts contributed into Individual Development Accounts and deposited into parallel accounts for matching funds;

(3) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn;

(4) the balances remaining in Individual Development Accounts and parallel accounts; and

(5) such other information needed to help the Secretary, or an organization designated by the Secretary, monitor the cost and outcomes of the qualified individual development account program.

(b) RESPONSIBILITIES OF THE SECRETARY OR DESIGNATED ORGANIZATION.—

(1) MONITORING PROTOCOL.—Not later than 12 months after the date of enactment of this Act, the Secretary, or an organization designated by the Secretary, shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 1011.

(2) ANNUAL REPORTS.—In each year after the date of enactment of this Act, the Secretary, or an organization designated by the Secretary, shall issue a progress report on the status of such qualified individual development account programs. Such report shall include from a representative sample of qualified financial institutions, qualified nonprofit organizations, and Indian tribes a report on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income;

(B) individual level data on deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics;

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs; and

(D) process information on program implementation and administration, especially on problems encountered and how problems were solved.

(3) APPROPRIATIONS FOR MONITORING.—There is authorized to be appropriated $5,000,000 for the purposes of monitoring qualified individual development account programs established under section 1011, to remain available until expended.

SEC. 1018. CERTAIN ACCOUNT FUNDS OF PROGRAM PARTICIPANTS DISREGARDED FOR PURPOSES OF CERTAIN MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any provision of the Internal Revenue Code of 1986 or the Social Security Act that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, the sum of—

(1) the lesser of—

(A) the sum of all contributions by an eligible individual (including earnings thereon) to any Individual Development Account; or

(B) $10,000; plus

(2) the sum of the matching deposits made on behalf of such individual (including earnings thereon) in any parallel account,

shall be disregarded for such purpose with respect to any period during which the individual participates in a qualified individual development account program established under section 1011.

Subtitle B—Qualified Individual Development Account Program Investment Credits

SEC. 1021. QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM INVESTMENT CREDITS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to other credits) is amended by inserting after section 30A the following:

"SEC. 30B. QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM INVESTMENT CREDIT.

''(a) DETERMINATION OF AMOUNT.—There shall be allowed as a credit against the applicable tax for the taxable year an amount equal to the qualified individual development account program investment provided by a taxpayer during the taxable year under a qualified individual development account program established under section 1011 of the American Community Renewal and New Markets Empowerment Act.

''(b) APPLICABLE TAX.—For the purposes of this section, the term 'applicable tax' means the excess (if any) of—

''(1) the tax imposed under this chapter (other than the taxes imposed under the provisions described in subparagraphs (C) through (Q) of section 26(b)(2)), over

''(2) the credits allowable under subpart B (other than this section) and subpart D of this part.

''(c) QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM INVESTMENT.—For purposes of this section, the term 'qualified individual development account program investment' means an amount equal to—

''(1) in the case of a taxpayer which is a qualified financial institution, the sum of—

''(A) the lesser of—

''(i) 90 percent of the aggregate amount of dollar-for-dollar matches under any qualified individual development account program by such taxpayer under section 1014 of the American Community Renewal and New Markets Empowerment Act for such taxable year, or

''(ii) $90,000,000, plus

''(B) the lesser of—

''(i) 50 percent of the aggregate costs paid or incurred under such program by the taxpayer during such taxable year—

''(I) to provide financial education courses to Individual Development Account holders under section 1012(b) of such Act, and

''(II) to underwrite program activities described in section 503(6)(B) of such Act), or

''(ii) $1,500,000, and

''(2) in the case of a taxpayer which is not a qualified financial institution and which meets the requirement described in paragraph (2) of subsection (d), the lesser of—

''(A) the sum of—

''(i) 50 percent of the aggregate amount of such dollar-for-dollar matches by such taxpayer for such taxable year, plus

''(ii) 50 percent of the aggregate costs described in paragraph (1)(B)(i) paid under such program by the taxpayer during such taxable year, or

''(B) $5,000,000.

''(d) DEFINITIONS AND SPECIAL RULES.—

''(1) IN GENERAL.—For purposes of this section, the terms 'Individual Development Account' , 'qualified individual development account program', and 'qualified financial institution' have the meanings given such terms by section 1003 of the American Community Renewal and New Markets Empowerment Act.

''(2) REQUIREMENT FOR TAXPAYERS WHICH ARE NOT QUALIFIED FINANCIAL INSTITUTIONS.—The requirement described in this paragraph with respect to any taxpayer which is not a qualified financial institution is the requirement that at least 70 percent of the expenditures by such taxpayer with respect to any qualified individual development account program for any taxable year are described in subsection (c)(2)(A).

''(3) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraphs (1) and (2) of section 41(f) shall apply for purposes of this section.

''(4) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified individual development account program investments taken into account under subsection (a).

''(e) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations providing for a reduction of the credit allowed under this section for any taxable year by the amount of any forfeiture under section 1015(b) of the American Community Renewal and New Markets Empowerment Act in such taxable year of any amount which was taken into account in determining the amount of such credit in a preceding taxable year.

''(f) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.''.

(b) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following:

''Sec. 30B. Qualified individual development account program investment credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 1022. CRA CREDIT TREATMENT FOR QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM INVESTMENTS.

Qualified financial institutions which establish qualified individual development account programs under section 1011 shall not receive credit for funding, administration, and education expenses under any test contained in regulations for the Community Reinvestment Act of 1977 for those activities and expenses related to such programs and taken into account for purposes of the tax credit allowed under section 30B of the Internal Revenue Code of 1986.

SEC. 1023. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO INDIVIDUAL DEVELOPMENT ACCOUNTS.

(a) IN GENERAL.—Section 32 (relating to earned income credit) is amended by adding at the end the following:

''(o) DESIGNATION OF CREDIT FOR DEPOSIT TO INDIVIDUAL DEVELOPMENT ACCOUNT.—

''(1) IN GENERAL.—With respect to the return of any eligible individual (as defined in section 1003(1) of the American Community Renewal and New Markets Empowerment Act) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the credit allowed under this section shall be deposited by the Secretary into an Individual Development Account (as defined in section 1003(2) of such Act) of such individual. The Secretary shall so deposit such portion designated under this paragraph.

''(2) MANNER AND TIME OF DESIGNATION.—A designation under paragraph (1) may be made with respect to any taxable year—

''(A) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

''(B) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

''(3) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of paragraph (1), an overpayment for any taxable year shall be treated as attributable to the credit allowed under this section for such taxable year to the extent that such overpayment does not exceed the credit so allowed.

''(4) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under paragraph (1) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

''(5) TERMINATION.—This subsection shall not apply to any taxable year beginning after December 31, 2006.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE XI—CHARITABLE CHOICE EXPANSION

SEC. 1101. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS ORGANIZATIONS.

Title XXIV of the Revised Statutes is amended by inserting after section 1990 (42 U.S.C. 1994) the following:

"SEC. 1994A. CHARITABLE CHOICE.

''(a) SHORT TITLE.—This section may be cited as the 'Charitable Choice Expansion Act of 2000'.

''(b) PURPOSE.—The purposes of this section are—

''(1) to prohibit discrimination against nongovernmental organizations and certain individuals on the basis of religion in the distribution of government funds to provide government assistance and distribution of such assistance, under government programs described in subsection (c); and

''(2) to allow such organizations to accept such funds to provide such assistance to such individuals without impairing the religious character of such organizations or the religious freedom of such individuals.

''(c) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—For any program carried out by the Federal Government, or by a State or local government with Federal funds, in which the Federal, State, or local government is authorized to use nongovernmental organizations, through contracts, grants, certificates, vouchers, or other forms of disbursement, to provide assistance to beneficiaries under the program, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Federal Government nor a State or local government receiving funds under such program shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program, on the basis that the organization has a religious character.

''(d) EXCLUSIONS.—As used in subsection (c), the term 'program' does not include activities carried out under—

''(1) Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801) (except for activities to assist students in obtaining the recognized equivalents of secondary school diplomas);

''(2) the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.);

''(3) the Head Start Act (42 U.S.C. 9831 et seq.); or

''(4) the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

''(e) RELIGIOUS CHARACTER AND INDEPENDENCE.—

''(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c) shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

''(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a religious organization—

''(A) to alter its form of internal governance; or

''(B) to remove religious art, icons, scripture, or other symbols;

in order to be eligible to provide assistance under a program described in subsection (c).

''(f) EMPLOYMENT PRACTICES.—

''(1) TENETS AND TEACHINGS.—A religious organization that provides assistance under a program described in subsection (c) may require that its employees providing assistance under such program adhere to the religious tenets and teachings of such organization, and such organization may require that those employees adhere to rules forbidding the use of drugs or alcohol.

''(2) TITLE VII EXEMPTION.—The exemption of a religious organization provided under section 702 or 703(e)(2) of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1, 2000e–2(e)(2)) regarding employment practices shall not be affected by the religious organization's provision of assistance under, or receipt of funds from, a program described in subsection (c).

''(g) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

''(1) IN GENERAL.—If an individual described in paragraph (3) has an objection to the religious character of the organization from which the individual receives, or would receive, assistance funded under any program described in subsection (c), the appropriate Federal, State, or local governmental entity shall provide to such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection, assistance that—

''(A) is from an alternative organization that is accessible to the individual; and

''(B) has a value that is not less than the value of the assistance that the individual would have received from such organization.

''(2) NOTICE.—The appropriate Federal, State, or local governmental entity shall ensure that notice is provided to individuals described in paragraph (3) of the rights of such individuals under this section.

''(3) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives or applies for assistance under a program described in subsection (c).

''(h) NONDISCRIMINATION AGAINST BENEFICIARIES.—

''(1) GRANTS AND CONTRACTS.—A religious organization providing assistance through a grant or contract under a program described in subsection (c) shall not discriminate, in carrying out the program, against an individual described in subsection (g)(3) on the basis of religion, a religious belief, a refusal to hold a religious belief, or a refusal to actively participate in a religious practice.

''(2) INDIRECT FORMS OF DISBURSEMENT.—A religious organization providing assistance through a voucher, certificate, or other form of indirect disbursement under a program described in subsection (c) shall not deny an individual described in subsection (g)(3) admission into such program on the basis of religion, a religious belief, or a refusal to hold a religious belief.

''(i) FISCAL ACCOUNTABILITY.—

''(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (c) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

''(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

''(j) COMPLIANCE.—A party alleging that the rights of the party under this section have been violated by a State or local government may bring a civil action pursuant to section 1979 against the official or government agency that has allegedly committed such violation. A party alleging that the rights of the party under this section have been violated by the Federal Government may bring a civil action for appropriate relief in an appropriate Federal district court against the official or government agency that has allegedly committed such violation.

''(k) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided through a grant or contract to a religious organization to provide assistance under any program described in subsection (c) shall be expended for sectarian worship, instruction, or proselytization.

''(l) EFFECT ON STATE AND LOCAL FUNDS.—If a State or local government contributes State or local funds to carry out a program described in subsection (c), the State or local government may segregate the State or local funds from the Federal funds provided to carry out the program or may commingle the State or local funds with the Federal funds. If the State or local government commingles the State or local funds, the provisions of this section shall apply to the commingled funds in the same manner, and to the same extent, as the provisions apply to the Federal funds.

''(m) TREATMENT OF INTERMEDIATE CONTRACTORS.—If a nongovernmental organization (referred to in this subsection as an 'intermediate organization'), acting under a contract or other agreement with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (c), the intermediate organization shall have the same duties under this section as the government but shall retain all other rights of a nongovernmental organization under this section.''.

TITLE XII—ANTHRACITE REGION REDEVELOPMENT

SEC. 1201. CREDIT TO HOLDERS OF QUALIFIED ANTHRACITE REGION REDEVELOPMENT BONDS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1, as amended by section 1021(a), is amended by adding at the end the following new section:

''SEC. 30C. CREDIT TO HOLDERS OF QUALIFIED ANTHRACITE REGION REDEVELOPMENT BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified anthracite region redevelopment bond on a credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a qualified anthracite region redevelopment bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any qualified anthracite region redevelopment bond is the product of—

''(A) the applicable credit rate, multiplied by

''(B) the outstanding face amount of the bond.

''(3) APPLICABLE CREDIT RATE.—For purposes of paragraph (1), the applicable credit rate with respect to an issue is the rate equal to an average market yield (as of the day before the date of issuance of the issue) on outstanding long-term corporate debt obligations (determined under regulations prescribed by the Secretary).

''(4) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed.

''(c) QUALIFIED ANTHRACITE REGION REDEVELOPMENT BOND.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified anthracite region redevelopment bond' means any bond issued as part of an issue if—

''(A) the issuer is an approved special purpose entity,

''(B) all of the net proceeds of the issue are deposited into either—

''(i) an approved segregated program fund, or

''(ii) a sinking fund for payment of principal on the bonds at maturity,

''(C) the issuer designates such bond for purposes of this section, and

''(D) the term of each bond which is part of such issue does not exceed 30 years.

Not more than ⅙ of the net proceeds of an issue may be deposited into a sinking fund referred to in subparagraph (B)(ii).

''(2) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under paragraph (1) shall not exceed $1,200,000,000.

''(3) APPROVED SPECIAL PURPOSE ENTITY.—The term 'approved special purpose entity' means a State or local governmental entity, or an entity described in section 501(c) and exempt from tax under section 501(a), if—

''(A) such entity is established and operated exclusively to carry out qualified purposes,

''(B) such entity has a comprehensive plan to restore and redevelop abandoned mine land in an anthracite region, and

''(C) such entity and plan are approved by the Administrator of the Environmental Protection Agency.

''(4) APPROVED SEGREGATED PROGRAM FUND.—The term 'approved segregated program fund' means any segregated fund the amounts in which may be used only for qualified purposes, but only if such fund has safeguards approved by such Administrator to assure that such amounts are only used for such purposes.

''(d) LIMITATION BASED ON AMOUNT OF TAX.—

''(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under part IV of subchapter A (other than this section and subpart C thereof, relating to refundable credits).

''(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) ANTHRACITE REGION.—The term 'anthracite region' means any area in the United States with anthracite deposits.

''(2) QUALIFIED PURPOSE.—The term 'qualified purpose' means, with respect to any qualified anthracite region redevelopment bond—

''(A) the purchase, restoration, and redevelopment of abandoned mine land and other real, personal, and mixed property in an anthracite region,

''(B) the cleanup of waterways and their tributaries, both surface and subsurface in such region from acid mine drainage and other pollution,

''(C) the provision of financial and technical assistance for infrastructure construction and upgrading water and sewer systems in such region,

''(D) research and development,

''(E) other environmental and economic development purposes in such region, and

''(F) such other purposes as are set forth in the comprehensive plan prepared by the issuer and approved by the Administrator of the Environmental Protection Agency.

''(3) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term includes the last day on which the bond is outstanding.

''(4) BOND.—The term 'bond' includes any obligation.

''(f) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (d)) and the amount so included shall be treated as interest income.

''(g) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified anthracite region redevelopment bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(h) CREDITS MAY BE STRIPPED.—Under regulations prescribed by the Secretary—

''(1) IN GENERAL.—There may be a separation (including at issuance) of the ownership of a qualified anthracite region redevelopment bond and the entitlement to the credit under this section with respect to such bond. In case of any such separation, the credit under this section shall be allowed to the person who on the credit allowance date holds the instrument evidencing the entitlement to the credit and not to the holder of the bond.

''(2) CERTAIN RULES TO APPLY.—In the case of a separation described in paragraph (1), the rules of section 1286 shall apply to the qualified anthracite region redevelopment bond as if it were a stripped bond and to the credit under this section as if it were a stripped coupon.

''(i) TREATMENT FOR ESTIMATED TAX PURPOSES.—Solely for purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified anthracite region redevelopment bond on a credit allowance date shall be treated as if it were a payment of estimated tax made by the taxpayer on such date.

''(j) CREDIT MAY BE TRANSFERRED.—Nothing in any law or rule of law shall be construed to limit the transferability of the credit allowed by this section through sale and repurchase agreements.

''(k) REPORTING.—The issuer shall submit reports similar to the reports required under section 149(e).

''(l) TERMINATION.—This section shall not apply to any bond issued more than 10 years after the date that the first qualified anthracite region redevelopment bond is issued.''

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(8) REPORTING OF CREDIT ON QUALIFIED ANTHRACITE REGION REDEVELOPMENT BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 30C(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 30C(e)(3)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''

(c) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1, as amended by section 1021(b), is amended by adding at the end the following new item:

''Sec. 30C. Credit to holders of qualified public anthracite region redevelopment bonds.''

(d) APPROVAL OF BONDS, ETC., BY ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY.—The Administrator of the Environmental Protection Agency shall act on any request for an approval required by section 30C of the Internal Revenue Code of 1986 (as added by this section) not later than 30 days after the date such request is submitted to such Administrator.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after December 31, 2000.

KERRY (AND OTHERS) AMENDMENT NO. 3839

Mr. KERRY (for himself, Mr. SARBANES, Mr. INOUYE, Mr. DODD, Mr. WELLSTONE, and Mr. LEAHY) proposed an amendment to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—NATIONAL AFFORDABLE HOUSING

SEC. 201. SHORT TITLE.

This title may be cited as the ''National Affordable Housing Trust Fund Act of 2000''.

SEC. 202. PURPOSES.

The purposes of this title are to—

(1) fill the growing gap in the national ability to build affordable housing by using amounts saved by slowing down the repeal of the Federal estate and gift taxes and profits generated by Federal housing programs to fund additional housing activities, and not supplant existing housing appropriations; and

(2) enable rental housing to be built for those families with the greatest need in areas with the greatest opportunities in mixed-income settings and to promote homeownership for low-income families.

SEC. 203. NATIONAL HOUSING TRUST FUND.

Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust funds) is amended by adding at the end the following:

''SEC. 9511. NATIONAL HOUSING TRUST FUND.

''(a) ESTABLISHMENT OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'National Affordable Housing Trust Fund' (referred to in this section as the 'Trust Fund') for the purposes of promoting the development of affordable housing.

''(b) TRANSFER TO THE TRUST FUND.—The Secretary shall—

''(1) estimate the amount of the increase in funds in the general fund of the Treasury for each fiscal year resulting from the amendments made by the Estate Tax Relief Act of 2000 as compared to such increase resulting from the amendments made by H.R. 8 as received by the Senate from the House of Representatives on June 12, 2000; and

''(2) transfer, on October 1, 2001, and each October 1 thereafter (if necessary) from the general fund of the Treasury to the Trust Fund an amount equivalent to the difference determined in paragraph (1), to the extent the aggregate amount of such transfers does not exceed $5,000,000,000.

''(c) EXPENDITURES FROM THE TRUST FUND.—Beginning in fiscal year 2002, amounts deposited in or transferred to the Trust Fund shall be available to the Secretary of Housing and Urban Development for use in accordance with section 204 of the National Affordable Housing Trust Fund Act of 2000.''.

SEC. 204. ADMINISTRATION OF NATIONAL AFFORDABLE HOUSING TRUST FUND.

(a) DEFINITIONS.—In this section:

(1) AFFORDABLE HOUSING.—The term ''affordable housing'' means housing for rental that bears rents not greater than the lesser of—

(A) the existing fair market rent for comparable units in the area, as established by the Secretary under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f); or

(B) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for number of bedrooms in the unit, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the findings of the Secretary that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(2) CONTINUED ASSISTANCE RENTAL SUBSIDY PROGRAM.—The term ''continued assistance rental subsidy program'' means a program under which—

(A) project-based assistance is provided for not more than 3 years to a family in an affordable housing unit developed with assistance made available under subsection (c) or (d) in a project that partners with a public housing agency, which agency agrees to provide the assisted family with a priority for the receipt of a voucher under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) if the family chooses to move after an initial year of occupancy and the public housing agency agrees to refer eligible voucher holders to the property when vacancies occur; and

(B) after 3 years, subject to appropriations, continued assistance is provided under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), notwithstanding any provision to the contrary in that section, if administered to provide families with the option of continued assistance with tenant-based vouchers, if such a family chooses to move after an initial year of occupancy and the public housing agency agrees to refer eligible voucher holders to the property when vacancies occur.

(3) ELIGIBLE ACTIVITIES.—The term ''eligible activities'' means activities relating to the development of affordable housing, including—

(A) the construction of new housing;

(B) the acquisition of real property;

(C) site preparation and improvement, including demolition;

(D) substantial rehabilitation of existing housing; and

(E) rental subsidy for not more than 3 years under a continued assistance rental subsidy program.

(4) ELIGIBLE ENTITY.—The term ''eligible entity'' includes any public or private nonprofit or for-profit entity, unit of local government, regional planning entity, and any other entity engaged in the development of affordable housing, as determined by the Secretary.

(5) ELIGIBLE INTERMEDIARY.—The term ''eligible intermediary'' means—

(A) a nonprofit community development corporation;

(B) a community development financial institution (as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702));

(C) a State or local trust fund;

(D) any entity eligible for assistance under section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note);

(E) a national, regional, or statewide nonprofit organization; and

(F) any other appropriate nonprofit entity, as determined by the Secretary.

(6) EXTREMELY LOW-INCOME FAMILIES.—The term ''extremely low-income families'' means very low-income families (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) whose incomes do not exceed 30 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

(7) LOW-INCOME FAMILIES.—The term ''low-income families'' has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(9) STATE.—The term ''State'' has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(10) TRUST FUND.—The term ''Trust Fund'' means the National Housing Trust Fund established under section 9511 of the Internal Revenue Code of 1986, as added by section 203 of this title.

(b) ALLOCATION TO STATES AND ELIGIBLE INTERMEDIARIES.—The total amount made available for fiscal year 2002 and each fiscal year thereafter from the Trust Fund shall be allocated by the Secretary as follows:

(1) 75 percent shall be used to award grants to States in accordance with subsection (c).

(2) 25 percent shall be used to award grants to eligible intermediaries in accordance with subsection (d).

(c) GRANTS TO STATES.—

(1) IN GENERAL.—Subject to paragraph (2), from the amount made available for each fiscal year under subsection (b)(1), the Secretary shall award grants to States, in accordance with an allocation formula established by the Secretary, based on the pro rata share of each State of the total need among all States for an increased supply of affordable housing, as determined on the basis of—

(A) the number and percentage of families in the State that live in substandard housing;

(B) the number and percentage of families in the State that pay more than 50 percent of their annual income for housing costs;

(C) the number and percentage of persons living at or below the poverty level in the State;

(D) the cost of developing or carrying out substantial rehabilitation of housing in the State;

(E) the age of the multifamily housing stock in the State; and

(F) such other factors as the Secretary determines to be appropriate.

(2) GRANT AMOUNT.—

(A) IN GENERAL.—The amount of a grant award to a State under this subsection shall be equal to the lesser of—

(i) 4 times the amount of assistance provided by the State from non-Federal sources; and

(ii) the allocation determined in accordance with paragraph (1).

(B) NON-FEDERAL SOURCES.—Fifty percent of funds allocable to tax credits allocated under section 42 of the Internal Revenue Code of 1986, revenue from mortgage revenue bonds issued under section 143 of such Code, or proceeds from the sale of tax exempt bonds shall be considered non-Federal sources for purposes of this section.

(3) AWARD OF STATE ALLOCATION TO CERTAIN ENTITIES.—

(A) IN GENERAL.—If the amount provided by a State from non-Federal sources is less than 25 percent of the amount that would be awarded to the State under this subsection based on the allocation formula described in paragraph (1), not later than 60 days after the date on which the Secretary determines that the State is not eligible for the full allocation determined under paragraph (1), the Secretary shall issue a notice regarding the availability of the funds for which the State is ineligible.

(B) APPLICATIONS.—Not later than 9 months after publication of a notice of funding availability under subparagraph (A), a nonprofit or public entity (or a consortium thereof, which may include units of local government working together on a regional basis) may submit to the Secretary an application for the available assistance, which application shall include—

(i) a certification that the applicant will provide assistance from non-Federal sources in an amount equal to 25 percent of the amount of assistance made available to the applicant under this paragraph; and

(ii) an allocation plan that meets the requirements of paragraph (4)(B) for distribution in the State of any assistance made available to the applicant under this paragraph and the assistance provided by the applicant for purposes of clause (i).

(C) AWARD OF ASSISTANCE.—The Secretary shall award the amount that is not awarded to a State by operation of paragraph (2) to 1 or more applicants that meet the requirements of subparagraph (B) of this paragraph that are selected by the Secretary based on selection criteria, which shall be established by the Secretary by regulation.

(4) DISTRIBUTION TO ELIGIBLE ENTITIES.—

(A) IN GENERAL.—Each State that receives a grant award under this subsection shall distribute the amount made available under the grant and the assistance provided by the State from non-Federal sources for purposes of paragraph (2)(A) to eligible entities for the purpose of assisting those entities in carrying out eligible activities in the State as follows:

(i) 75 percent shall be distributed to eligible entities for eligible activities relating to the development of affordable housing for rental by extremely low-income families in the State.

(ii) 25 percent shall be distributed to eligible entities for eligible activities relating to the development of affordable housing for rental by low-income families in the State, or for homeownership assistance for low-income families in the State.

(B) ALLOCATION PLAN.—Each State shall, after notice to the public, an opportunity for public comment, and consideration of public comments received, establish an allocation plan for the distribution of assistance under this paragraph, which shall be submitted to the Secretary and shall be made available to the public by the State, and which shall include—

(i) application requirements for eligible entities seeking to receive such assistance, including a requirement that each application include—

(I) a certification by the applicant that any housing developed with assistance under this paragraph will remain affordable for extremely low-income families or low-income families, as applicable, for not less than 40 years;

(II) a certification by the applicant that the tenant contribution towards rent for a family residing in a unit developed with assistance under this paragraph will not exceed 30 percent of the adjusted income of that family; and

(III) a certification by the applicant that the owner of a project in which any housing developed with assistance under this paragraph is located will make a percentage of units in the project available to families assisted under the voucher program under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) on the same basis as other families eligible for the housing (except that only the voucher holder's expected share of rent shall be considered), which percentage shall not be less than the percentage of the total cost of developing or rehabilitating the project that is funded with assistance under this paragraph; and

(ii) factors for consideration in selecting among applicants that meet such application requirements, which shall give preference to applicants based on—

(I) the amount of assistance for the eligible activities leveraged by the applicant from private and other non-Federal sources;

(II) the extent of local assistance that will be provided in carrying out the eligible activities, including—

(aa) financial assistance; and

(bb) the extent to which the applicant has worked with the unit of local government in which the housing will be located to address issues of siting and exclusionary zoning or other policies that are barriers to affordable housing;

(III) the degree to which the development in which the housing will be located is mixed-income;

(IV) whether the housing will be located in a census tract in which the poverty rate is less than 20 percent or in a community undergoing revitalization;

(V) the extent of employment and other opportunities for low-income families in the area in which the housing will be located; and

(VI) the extent to which the applicant demonstrates the ability to maintain units as affordable for extremely low-income or low-income families, as applicable, through the use of assistance made available under this paragraph, assistance leveraged from non-Federal sources, assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), State or local assistance, programs to increase tenant income, cross-subsidization, and any other resources.

(C) FORMS OF ASSISTANCE.—

(i) IN GENERAL.—Assistance distributed under this paragraph may be in the form of capital grants, non-interest bearing or low-interest loans or advances, deferred payment loans, guarantees, and any other forms of assistance approved by the Secretary.

(ii) REPAYMENTS.—If a State awards assistance under this paragraph in the form of a loan or other mechanism by which funds are later repaid to the State, any repayments received by the State shall be distributed by the State in accordance with the allocation plan described in subparagraph (B) the following fiscal year.

(D) COORDINATION WITH OTHER ASSISTANCE.—In distributing assistance under this paragraph, each State shall, to the maximum extent practicable, coordinate such distribution with the provision of other affordable housing assistance by the State, including—

(i) housing credit dollar amounts allocated by the State under section 42(h) of the Internal Revenue Code of 1986;

(ii) assistance made available under the HOME Investment Partnerships Act or the community development block grant program; and

(iii) private activity bonds.

(d) NATIONAL COMPETITION.—

(1) IN GENERAL.—From the amount made available for each fiscal year under subsection (b)(2), the Secretary shall award grants on a competitive basis to eligible intermediaries, which shall be used in accordance with paragraph (3) of this subsection.

(2) APPLICATION REQUIREMENTS AND SELECTION CRITERIA.—The Secretary by regulation shall establish application requirements and selection criteria for the award of competitive grants to eligible intermediaries under this subsection, which criteria shall include—

(A) the ability of the eligible intermediary to meet housing needs of low-income families on a national or regional scope;

(B) the capacity of the eligible intermediary to use the grant award in accordance with paragraph (3), based on the past performance and management of the applicant; and

(C) the extent to which the eligible intermediary has leveraged funding from private and other non-Federal sources for the eligible activities.

(3) USE OF GRANT AWARD.—

(A) IN GENERAL.—Each eligible intermediary that receives a grant award under this subsection shall ensure that the amount made available under the grant is used as follows:

(i) 75 percent shall be used for eligible activities relating to the development of affordable housing for rental by extremely low-income families.

(ii) 25 percent shall be used for eligible activities relating to the development of affordable housing for rental by low-income families, or for homeownership assistance for low-income families.

(B) PLAN OF USE.—Each eligible intermediary that receives a grant award under this subsection shall establish a plan for the use or distribution of the amount made available under the grant, which shall be submitted to the Secretary, and which shall include information relating to the manner in which the eligible intermediary will either use or distribute that amount, including—

(i) a certification that assistance made available under this subsection will be used to supplement assistance leveraged from private and other non-Federal sources;

(ii) a certification that local assistance will be provided in the carrying out the eligible activities, which may include—

(I) financial assistance; and

(II) a good faith effort to work with the unit of local government in which the housing will be located to address issues of siting and exclusionary zoning or other policies that are barriers to affordable housing;

(iii) a certification that any housing developed with assistance under this subsection will remain affordable for extremely low-income families or low-income families, as applicable, for not less than 40 years;

(iv) a certification that any housing developed by the applicant with assistance under this subsection will be located—

(I) in a mixed-income development;

(II) in a census tract having a poverty rate of not more than 20 percent or in a community undergoing revitalization; and

(III) near employment and other opportunities for low-income families;

(v) a certification that the tenant contribution towards rent for a family residing in a unit developed with assistance under this paragraph will not exceed 30 percent of the adjusted income of that family; and

(vi) a certification by the applicant that the owner of a project in which any housing developed with assistance under this subsection is located will make a percentage of units in the project available to families assisted under the voucher program under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) on the same basis as other families eligible for the housing (except that only the voucher holder's expected share of rent shall be considered), which percentage shall not be less than the percentage of the total cost of developing or rehabilitating the project that is funded with assistance under this subsection.

(C) FORMS OF ASSISTANCE.—

(i) IN GENERAL.—An eligible intermediary may distribute the amount made available under a grant under this subsection in the form of capital grants, non-interest bearing or low-interest loans or advances, deferred payment loans, guarantees, and other forms of assistance.

(ii) REPAYMENTS.—If an eligible intermediary awards assistance under this subsection in the form of a loan or other mechanism by which funds are later repaid to the eligible intermediary, any repayments received by the eligible intermediary shall be distributed by the eligible intermediary in accordance with the plan of use described in subparagraph (B) the following fiscal year.

SEC. 205. REGULATIONS.

Not later than 6 months after the date of enactment of this Act, the Secretary of Housing and Urban Development shall promulgate regulations to carry out this title and the amendment made by this title.

HARKIN (AND OTHERS) AMENDMENT NO. 3840

Mr. HARKIN (for himself, Mr. FEINGOLD, Ms. MIKULSKI, Mr. LEAHY, and Mrs. MURRAY) proposed an amendment to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

TITLE __—SOCIAL SECURITY SOLVENCY AND FAIRNESS

SEC. __. ADDITIONAL APPROPRIATIONS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND FEDERAL DISABILITY INSURANCE TRUST FUND.

(a) PURPOSE.—The purpose of this section is to assure that the interest savings on the debt held by the public achieved as a result of Social Security surpluses from 2001 to 2016 are dedicated to Social Security solvency.

(b) ADDITIONAL APPROPRIATIONS TO TRUST FUNDS.—Section 201 of the Social Security Act is amended by adding at the end the following new subsection:

''(n) ADDITIONAL APPROPRIATION TO TRUST FUNDS.—

''(1) In addition to the amounts appropriated to the Trust Funds under subsections (a) and (b), there is hereby appropriated to the Trust Funds, out of any moneys in the Treasury not otherwise appropriated—

''(A) for the fiscal year ending September 30, 2006, and for each fiscal year thereafter through the fiscal year ending September 30, 2016, an amount equal to the prescribed amount for the fiscal year; and

''(B) for the fiscal year ending September 30, 2017, and for each fiscal year thereafter through the fiscal year ending September 30, 2044, an amount equal to the prescribed amount for the fiscal year ending September 30, 2016.

''(2) The amount appropriated by paragraph (1) in each fiscal year shall be transferred in equal monthly installments.

''(3) The amount appropriated by paragraph (1) in each fiscal year shall be allocated between the Trust Funds in the same proportion as the taxes imposed by chapter 21 (other than sections 3101(b) and 3111(b)) of the Title 26 with respect to wages (as defined in section 3121 of Title 26) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of Title 26, and the taxes imposed by chapter 2 (other than section 1401(b)) of Title 26 with respect to self-employment income (as defined in section 1402 of Title 26) reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of Title 26, are allocated between the Trust Funds in the calendar year that begins in the fiscal year.

''(4) For purposes of this subsection, the ''prescribed amount'' for any fiscal year shall be determined by multiplying—

''(A) the excess of—

''(i) the sum of—

''(I) the face amount of all obligations of the United States held by the Trust Funds on the last day of the fiscal year immediately preceding the fiscal year of determination purchased with amounts appropriated or credited to the Trust Funds other than any amount appropriated under paragraph (1); and

''(II) the sum of the amounts appropriated under paragraph (1) and transferred under paragraph (2) through the last day of the fiscal year immediately preceding the fiscal year of determination, and an amount equal to the interest that would have been earned thereon had those amounts been invested in obligations of the United States issued directly to the Trust Funds under subsections (d) and (f); over

''(ii) the face amount of all obligations of the United States held by the Trust Funds on September 30, 2000,

times—

''(B) a rate of interest determined by the Secretary of the Treasury, at the beginning of the fiscal year of determination, as follows:

''(i) if there are any marketable interest-bearing obligations of the United States then forming a part of the public debt, a rate of interest determined by taking into consideration the average market yield (computed on the basis of daily closing market bid quotations or prices during the calendar month immediately preceding the determination of the rate of interest) on such obligations; and

''(ii) if there are no marketable interest-bearing obligations of the United States then forming a part of the public debt, a rate of interest determined to be the best approximation of the rate of interest described in clause (i), taking into consideration the average market yield (computed on the basis of daily closing market bid quotations or prices during the calendar month immediately preceding the determination of the rate of interest) on investment grade corporate obligations selected by the Secretary of the Treasury, less an adjustment made by the Secretary of the Treasury to take into account the difference between the yields on corporate obligations comparable to the obligations selected by the Secretary of the Treasury and yields on obligations of comparable maturities issued by risk-free government issuers selected by the Secretary of the Treasury.''.

SEC. 602. INCREASE IN NUMBER OF YEARS DISREGARDED.

(a) IN GENERAL.—Section 215(b)(2) of the Social Security Act (42 U.S.C. 415(b)(2)) is amended—

(1) by striking the period at the end of clause (ii) of subparagraph (A) and inserting a comma;

(2) by striking ''Clause (ii), once'' after and below clause (ii) of subparagraph (A) and inserting the following:

''and reduced further to the extent provided in subparagraph (B). Clause (ii), once'';

(3) by striking ''If an individual'' in the matter following clause (ii) of subparagraph (A) and all that follows through the end of subparagraph (A);

(4) by redesignating subparagraph (B) as subparagraph (F); and

(5) by inserting after subparagraph (A) the following new subparagraphs:

''(B) Subject to subparagraph (C), in any case in which—

''(i) in any calendar year which is included in an individual's computation base years—

''(I) such individual is living with a child (of such individual or his or her spouse) under the age of 12; or

''(II) such individual is living with a child (of such individual or his or her spouse), a parent (of such individual or his or her spouse), or such individual's spouse while such child, parent, or spouse is a chronically dependent individual;

''(ii) such calendar year is not disregarded pursuant to subparagraphs (A) and (E) (in determining such individual's benefit computation years) by reason of the reduction in the number of such individual's elapsed years under subparagraph (A); and

''(iii) such individual submits to the Secretary, in such form as the Secretary shall prescribe by regulations, a written statement that the requirements of clause (i) are met with respect to such calendar year,

then the number by which such elapsed years are reduced under this paragraph pursuant to subparagraph (A) shall be increased by one (up to a combined total not exceeding 5) for each such calendar year.

''(C)(i)(I) No calendar year shall be disregarded by reason of subparagraph (B) (in

determining such individual's benefit computation years) unless the individual had less than the applicable dollar amount (in effect for such calendar year under subclause (II)) of earnings as described in section 203(f)(5) for such year.

''(II) Except as otherwise provided in this subclause, the applicable dollar amount in effect under this subclause for any calendar year is $3,000. In each calendar year after 2006, the Secretary shall determine and publish in the Federal Register, on or before November 1 of such calendar year, the applicable dollar amount which shall be effective under this subclause for the next calendar year. Such dollar amount shall be equal to the applicable dollar amount which is effective under this subclause for the calendar year in which such determination is made, increased by a percentage equal to the percentage (rounded to the nearest 1/10 of 1 percent) by which the Consumer Price Index (prepared by the Department of Labor and used in determining increases in benefits pursuant to section 215(i)) for the calendar quarter ending on September 30 of such calendar year exceeds such index for the calendar quarter ending on September 30 of the last preceding calendar year in which a cost-of-living increase in benefits became effective under section 215(i).

''(ii) No calendar year shall be disregarded by reason of subparagraph (B) (in determining such individual's benefit computation years) in connection with a child referred to in subparagraph (B)(i)(I) (and not referred to in subparagraph (B)(i)(II)) unless the individual was living with the child substantially throughout the period in such year in which the child was alive and under the age of 12 in such year.

''(iii) No calendar year shall be disregarded by reason of subparagraph (B) (in determining such individual's benefit computation years) in connection with a child, parent, or spouse referred to in subparagraph (B)(i)(II) unless the individual was living with such child, parent, or spouse substantially throughout a period of 180 consecutive days in such year throughout which such child, parent, or spouse was a chronically dependent individual.

''(iv) The particular calendar years to be disregarded under this subparagraph (in determining such benefit computation years) shall be those years (not otherwise disregarded under subparagraph (A)) which, before the application of subsection (f), meet the conditions of the preceding provisions of this clause.

''(v) This subparagraph shall apply only to the extent that—

''(I) its application would not result in a lower primary insurance amount; and

''(II) it does not raise the primary insurance amount to a level greater than the average old-age insurance benefit paid under this title.

''(D)(i) For purposes of this paragraph, the term 'chronically dependent individual' means an individual who—

''(I) is dependent on a daily basis on another person who is living with the individual and is assisting the individual without monetary compensation in the performance of at least 2 of the activities of daily living (described in clause (ii)), and

''(II) without such assistance could not perform such activities of daily living.

''(ii) The 'activities of daily living', referred to in clause (i), are the following:

''(I) Eating.

''(II) Bathing.

''(III) Dressing.

''(IV) Toileting.

''(V) Transferring in and out of a bed or in and out of a chair.

''(E) The number of an individual's benefit computation years as determined under this paragraph shall in no case be less than 2.''.

(b) EFFECTIVE DATE AND RELATED PROVISIONS.—

(1) IN GENERAL.—The amendments made by this Act shall apply with respect to computation base years ending before, on, or after the date of enactment of this Act, but only with respect to benefits payable for months after December 2001.

(2) NOTICE AND PROCEDURES.—

(A) 60-DAY FILING PERIOD AFTER ISSUANCE OF REGULATIONS FOR CALENDAR YEARS BEFORE 2001.—The requirements of clause (iii) of section 215(b)(2)(B) of the Social Security Act (as amended by this section) shall be treated as satisfied, in the case of a statement with respect to any calendar year before 2001, only if such statement is submitted to the Secretary of Health and Human Services not later than 60 days after the date of the first issuance in final form of the regulations required under such clause.

(B) NOTICE REQUIREMENTS.—The Secretary of Health and Human Services shall issue, not later than the date of the first issuance in final form of the regulations described in paragraph (1), regulations establishing procedures to ensure that—

(i) persons who are, as of such date, recipients of monthly benefits under section 202(a) or 223 of the Social Security Act, or applicants for such benefits, are fully informed of the amendments made by this section; and

(ii) such persons are invited to comply, and given a reasonable opportunity to comply, with the requirements of section 215(b)(2)(B)(iii) of the Social Security Act (as amended by this section), as provided in subparagraph (A).

Upon receiving from a recipient described in clauses (i) and (ii) a written statement referred to in clause (iii) of section 215(b)(2)(B) of the Social Security Act (as amended by this section) with respect to which the requirements of such clause are satisfied, the Secretary shall redetermine the amount of such benefits to the extent necessary to take into account the amendments made by this section (and if such redetermination results in an increase in such amount the increase shall be effective as provided in paragraph (1)). Such regulations described in subparagraph (A) shall also provide procedures to ensure that applicants for benefits under section 202(a) or 223 of the Social Security Act are given the opportunity, at the time of their application, to indicate and verify any additional years which may be disregarded under section 215(b)(2)(B) of the Social Security Act (as amended by this section).

SEC. __. INCREASE IN WIDOWS' AND WIDOWERS' INSURANCE BENEFITS.

(a) WIDOW'S BENEFIT.—Section 202(e)(2)(A) of the Social Security Act (42 U.S.C. 402(e)(2)(A)) is amended by striking ''equal to'' and all that follows and inserting ''equal to the greater of—

''(i) the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual, or

''(ii) the lesser of—

''(I) 75 percent of the joint benefit which would have been received by the widow or surviving divorced wife and the deceased individual for such month if such individual had not died, or

''(II) the average old-age insurance benefit paid under this title.''.

(b) WIDOWER'S BENEFIT.—Section 202(f)(3)(A) of the Social Security Act (42 U.S.C. 402(b)(3)(A)) is amended by striking ''equal to'' and all that follows and inserting ''equal to the greater of—

''(i) the primary insurance amount (as determined for purposes of this subjection after application of subparagraphs (B) and (C)) of such deceased individual, or

''(ii) the lesser of—

(I) 75 percent of the joint benefit which would have been received by the widow or surviving divorced wife and the deceased individual for such month if such individual had not died, or

''(II) the average old-age insurance benefit paid under this title.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits payable for months after December 2000.

SEC. __. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

SEC. __. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. __. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	**The applicable deduction amount is:**
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

SEC. __. SENSE OF SENATE REGARDING SAVINGS.

It is the sense of the Senate that the reduced cost to the Federal Treasury resulting from the amendments made by this Act as compared to the cost to the Federal Treasury of H.R. 8 as received by the Senate from the House of Representatives on June 12, 2000, should be used exclusively to reduce the Federal debt held by the public.

ROTH AMENDMENT NO. 3841

Mr. ROTH proposed an amendment to the bill, H.R. 8, supra; as follows:

At the end of the bill, add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. TABLE OF CONTENTS; ETC.

(a) SECTION 15 NOT TO APPLY.—No amendment made by this title shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

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

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Table of contents; etc.

Subtitle A—Individual Retirement Arrangements

Sec. 611. Modification of deduction limits for IRA contributions.
Sec. 612. Modification of income limits on contributions and rollovers to Roth IRAs.
Sec. 613. Deemed IRAs under employer plans.

Subtitle B—Expanding Coverage

Sec. 621. Option to treat elective deferrals as after-tax contributions.
Sec. 622. Increase in benefit and contribution limits.
Sec. 623. Plan loans for subchapter S owners, partners, and sole proprietors.
Sec. 624. Elective deferrals not taken into account for purposes of deduction limits.
Sec. 625. Reduced PBGC premium for new plans of small employers.
Sec. 626. Reduction of additional PBGC premium for new plans.
Sec. 627. Elimination of user fee for requests to IRS regarding new pension plans.
Sec. 628. Modification of top-heavy rules.
Sec. 629. Repeal of coordination requirements for deferred compensation plans of State and local governments and tax-exempt organizations.

Subtitle C—Enhancing Fairness for Women

Sec. 631. Catchup contributions for individuals age 50 or over.
Sec. 632. Equitable treatment for contributions of employees to defined contribution plans.
Sec. 633. Clarification of tax treatment of division of section 457 plan benefits upon divorce.
Sec. 634. Modification of safe harbor relief for hardship withdrawals from cash or deferred arrangements.
Sec. 635. Faster vesting of certain employer matching contributions.

Subtitle D—Increasing Portability for Participants

Sec. 641. Rollovers allowed among various types of plans.
Sec. 642. Rollovers of IRAs into workplace retirement plans.
Sec. 643. Rollovers of after-tax contributions.
Sec. 644. Hardship exception to 60-day rule.
Sec. 645. Treatment of forms of distribution.
Sec. 646. Rationalization of restrictions on distributions.
Sec. 647. Purchase of service credit in governmental defined benefit plans.
Sec. 648. Employers may disregard rollovers for purposes of cash-out amounts.
Sec. 649. Inclusion requirements for section 457 plans.

Subtitle E—Strengthening Pension Security and Enforcement

Sec. 651. Repeal of 150 percent of current liability funding limit.
Sec. 652. Extension of missing participants program to multiemployer plans.
Sec. 653. Excise tax relief for sound pension funding.
Sec. 654. Excise tax on failure to provide notice by defined benefit plans significantly reducing future benefit accruals.
Sec. 655. Protection of investment of employee contributions to 401(k) plans.
Sec. 656. Treatment of multiemployer plans under section 415.
Sec. 657. Maximum contribution deduction rules modified and applied to all defined benefit plans.
Sec. 658. Increase in section 415 early retirement limit for governmental and other plans.

Subtitle F—Encouraging Retirement Education

Sec. 661. Periodic pension benefits Statements.
Sec. 662. Clarification of treatment of employer-provided retirement advice.

Subtitle G—Reducing Regulatory Burdens

Sec. 671. Flexibility in nondiscrimination and coverage rules.
Sec. 672. Modification of timing of plan valuations.
Sec. 673. Substantial owner benefits in terminated plans.
Sec. 674. ESOP dividends may be reinvested without loss of dividend deduction.
Sec. 675. Notice and consent period regarding distributions.
Sec. 676. Repeal of transition rule relating to certain highly compensated employees.
Sec. 677. Employees of tax-exempt entities.
Sec. 678. Extension to international organizations of moratorium on application of certain nondiscrimination rules applicable to State and local plans.
Sec. 679. Annual report dissemination.
Sec. 680. Modification of exclusion for employer provided transit passes.
Sec. 681. Reporting simplification.
Sec. 682. Repeal of the multiple use test.

Subtitle H—Plan Amendments

Sec. 691. Provisions relating to plan amendments.

Subtitle A—Individual Retirement Arrangements

SEC. 611. MODIFICATION OF DEDUCTION LIMITS FOR IRA CONTRIBUTIONS.

(a) INCREASE IN CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking ''$2,000'' and inserting ''the deductible amount''.

(2) DEDUCTIBLE AMOUNT.—Section 219(b) is amended by adding at the end the following new paragraph:

''(5) DEDUCTIBLE AMOUNT.—For purposes of paragraph (1)(A)—

''(A) IN GENERAL.—The deductible amount shall be determined in accordance with the following table:

"For taxable years beginning in:	The deductible amount is:
2001	$3,000
2002	$4,000
2003 and thereafter	$5,000.

''(B) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2003, the $5,000 amount under subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2002' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $100, such amount shall be rounded to the next lower multiple of $100.''

(b) INCREASE IN ADJUSTED GROSS INCOME LIMITS FOR ACTIVE PARTICIPANTS.—

(1) IN GENERAL.—Subparagraph (B) of section 219(g)(3) (relating to applicable dollar amount) is amended to read as follows:

''(B) APPLICABLE DOLLAR AMOUNT.—The term 'applicable dollar amount' means the following:

''(i) In the case of a taxpayer filing a joint return:

"For taxable years beginning in:	The applicable dollar amount is:
2001	$53,000
2002	$54,000
2003	$60,000
2004	$65,000
2005	$70,000
2006	$75,000
2007	$80,000
2008	$84,000
2009	$89,000
2010 and thereafter	$94,000.

''(ii) In the case of any other taxpayer (other than a married individual filing a separate return):

"For taxable years beginning in:	The applicable dollar amount is:
2001	$33,000
2002	$34,000
2003	$40,000
2004	$45,000
2005, 2006, and 2007	$50,000
2008	$52,000
2009	$54,500
2010 and thereafter	$57,000.''

(2) COST-OF-LIVING ADJUSTMENT.—Section 219(g)(3) is amended by adding at the end the following new subparagraph:

''(C) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2010, the $94,000 amount in subparagraph (B)(i) and the $57,000 amount in subparagraph(B)(ii) shall each be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2009' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be reduced to the next lowest multiple of $1,000.''

(c) CONFORMING AMENDMENTS.—

(1) Section 408(a)(1) is amended by striking ''in excess of $2,000 on behalf of any individual'' and inserting ''on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)''.

(2) Section 408(b)(2)(B) is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(3) Section 408(b) is amended by striking ''$2,000'' in the matter following paragraph (4) and inserting ''the dollar amount in effect under section 219(b)(1)(A)''.

(4) Section 408(j) is amended by striking ''$2,000''.

(5) Section 408(p)(8) is amended by striking ''$2,000'' and inserting ''the dollar amount in effect under section 219(b)(1)(A)''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 612. MODIFICATION OF INCOME LIMITS ON CONTRIBUTIONS AND ROLLOVERS TO ROTH IRAS.

(a) REPEAL OF AGI LIMIT ON CONTRIBUTIONS.—Section 408A(c)(3) (relating to limits based on modified adjusted gross income) is amended by striking subparagraph (A) and by redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C), respectively.

(b) INCREASE IN AGI LIMIT FOR ROLLOVER CONTRIBUTIONS.—Section 408A(c)(3)(A) (relating to rollover from IRA), as redesignated by subsection (a), is amended to read as follows:

''(A) ROLLOVER FROM IRA.—A taxpayer shall not be allowed to make a qualified rollover contribution from an individual retirement plan other than a Roth IRA during any taxable year if, for the taxable year of the distribution to which the contribution relates, the taxpayer's adjusted gross income exceeds $1,000,000.''.

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 408A(c)(3), as redesignated by subsection (a) and as in effect before and after the amendments made by the Internal Revenue Service Restructuring and Reform Act of 1998, is amended to read as follows:

''(B) DEFINITION OF ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), adjusted gross income shall be determined—

''(i) after application of sections 86 and 469, and

''(ii) without regard to sections 135, 137, 221, and 911, the deduction allowable under section 219, or any amount included in gross income under subsection (d)(3).''.

(2) Subparagraph (B) of section 408A(c)(3), as amended by paragraph (1), is amended by inserting ''or by reason of a required distribution under a provision described in paragraph (5)'' before the period at the end.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) ROLLOVERS.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2001.

(3) ADJUSTED GROSS INCOME.—The amendment made by subsection (c)(2) shall apply to taxable years beginning after December 31, 2004.

SEC. 613. DEEMED IRAS UNDER EMPLOYER PLANS.

(a) IN GENERAL.—Section 408 (relating to individual retirement accounts) is amended by redesignating subsection (q) as subsection (r) and by inserting after subsection (p) the following new subsection:

''(q) DEEMED IRAS UNDER QUALIFIED EMPLOYER PLANS.—

''(1) GENERAL RULE.—If—

''(A) a qualified employer plan elects to allow employees to make voluntary employee contributions to a separate account or annuity established under the plan, and

''(B) under the terms of the qualified employer plan, such account or annuity meets the applicable requirements of this section or section 408A for an individual retirement account or annuity,

then such account or annuity shall be treated for purposes of this title in the same manner as an individual retirement plan (and contributions to such account or annuity as contributions to an individual retirement plan). For purposes of subparagraph (B), the requirements of subsection (a)(5) shall not apply.

''(2) SPECIAL RULES FOR QUALIFIED EMPLOYER PLANS.—For purposes of this title—

''(A) a qualified employer plan shall not fail to meet any requirement of this title solely by reason of establishing and maintaining a program described in paragraph (1), and

''(B) any account or annuity described in paragraph (1), and any contribution to the account or annuity, shall not be subject to any requirement of this title applicable to a qualified employer plan or taken into account in applying any such requirement to any other contributions under the plan.

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) QUALIFIED EMPLOYER PLAN.—The term 'qualified employer plan' has the meaning given such term by section 72(p)(4).

''(B) VOLUNTARY EMPLOYEE CONTRIBUTION.—The term 'voluntary employee contribution' means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2)(C))—

''(i) which is made by an individual as an employee under a qualified employer plan which allows employees to elect to make contributions described in paragraph (1), and

''(ii) with respect to which the individual has designated the contribution as a contribution to which this subsection applies.''.

(b) AMENDMENT OF ERISA.—

(1) IN GENERAL.—Section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003) is amended by adding at the end the following new subsection:

''(c) If a pension plan allows an employee to elect to make voluntary employee contributions to accounts and annuities as provided in section 408(q) of the Internal Revenue Code of 1986, such accounts and annuities (and contributions thereto) shall not be treated as part of such plan (or as a separate pension plan) for purposes of any provision of this title other than section 403(c), 404, or 405 (relating to exclusive benefit, and fiduciary and co-fiduciary responsibilities).''.

(2) CONFORMING AMENDMENT.—Section 4(a) of such Act (29 U.S.C. 1003(a)) is amended by inserting ''or (c)'' after ''subsection (b)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

Subtitle B—Expanding Coverage

SEC. 621. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX CONTRIBUTIONS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation, etc.) is amended by inserting after section 402 the following new section:

''SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS PLUS CONTRIBUTIONS.

''(a) GENERAL RULE.—If an applicable retirement plan includes a qualified plus contribution program—

''(1) any designated plus contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such contribution shall not be excludable from gross income, and

''(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

''(b) QUALIFIED PLUS CONTRIBUTION PROGRAM.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified plus contribution program' means a program under which an employee may elect to make designated plus contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

''(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified plus contribution program unless the applicable retirement plan—

''(A) establishes separate accounts ('designated plus accounts') for the designated plus contributions of each employee and any earnings properly allocable to the contributions, and

''(B) maintains separate recordkeeping with respect to each account.

''(c) DEFINITIONS AND RULES RELATING TO DESIGNATED PLUS CONTRIBUTIONS.—For purposes of this section—

''(1) DESIGNATED PLUS CONTRIBUTION.—The term 'designated plus contribution' means any elective deferral which—

''(A) is excludable from gross income of an employee without regard to this section, and

''(B) the employee designates (at such time and in such manner as the Secretary may prescribe) as not being so excludable.

''(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall not exceed the excess (if any) of—

''(A) the maximum amount of elective deferrals excludable from gross income of the employee for the taxable year (without regard to this section), over

''(B) the aggregate amount of elective deferrals of the employee for the taxable year which the employee does not designate under paragraph (1).

''(3) ROLLOVER CONTRIBUTIONS.—

''(A) IN GENERAL.—A rollover contribution of any payment or distribution from a designated plus account which is otherwise allowable under this chapter may be made only if the contribution is to—

''(i) another designated plus account of the individual from whose account the payment or distribution was made, or

''(ii) a Roth IRA of such individual.

''(B) COORDINATION WITH LIMIT.—Any rollover contribution to a designated plus account under subparagraph (A) shall not be taken into account for purposes of paragraph (1).

''(d) DISTRIBUTION RULES.—For purposes of this title—

''(1) EXCLUSION.—Any qualified distribution from a designated plus account shall not be includible in gross income.

''(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified distribution' has the meaning given such term by section 408A(d)(2)(A) (without regard to clause (iv) thereof).

''(B) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A payment or distribution from a designated plus account shall not be treated as a qualified distribution if such payment or distribution is made within the 5-taxable-year period beginning with the earlier of—

''(i) the 1st taxable year for which the individual made a designated plus contribution to any designated plus account established for such individual under the same applicable retirement plan, or

''(ii) if a rollover contribution was made to such designated plus account from a designated plus account previously established for such individual under another applicable retirement plan, the 1st taxable year for which the individual made a designated plus contribution to such previously established account.

''(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND EARNINGS.—The term 'qualified distribution' shall not include any distribution of any excess deferral under section 402(g)(2) and any income on the excess deferral.

''(3) AGGREGATION RULES.—Section 72 shall be applied separately with respect to distributions and payments from a designated plus account and other distributions and payments from the plan.

''(e) OTHER DEFINITIONS.—For purposes of this section—

''(1) APPLICABLE RETIREMENT PLAN.—The term 'applicable retirement plan' means—

''(A) an employees' trust described in section 401(a) which is exempt from tax under section 501(a), and

''(B) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b).

''(2) ELECTIVE DEFERRAL.—The term 'elective deferral' means any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).''.

(b) EXCESS DEFERRALS.—Section 402(g) (relating to limitation on exclusion for elective deferrals) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: ''The preceding sentence shall not apply to so much of such excess as does not exceed the designated plus contributions of the individual for the taxable year.'', and

(2) by inserting ''(or would be included but for the last sentence thereof)'' after ''paragraph (1)'' in paragraph (2)(A).

(c) ROLLOVERS.—Subparagraph (B) of section 402(c)(8) is amended by adding at the end the following:

''If any portion of an eligible rollover distribution is attributable to payments or distributions from a designated plus account (as defined in section 402A), an eligible retirement plan with respect to such portion shall include only another designated plus account and a Roth IRA.''.

(d) REPORTING REQUIREMENTS.—

(1) W–2 INFORMATION.—Section 6051(a)(8) is amended by inserting '', including the amount of designated plus contributions (as defined in section 402A)'' before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DESIGNATED PLUS CONTRIBUTIONS.—The Secretary shall require the plan administrator of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated plus contributions (as so defined) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: ''Such term includes a rollover contribution described in section 402A(c)(3)(A).''.

(2) The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402 the following new item:

''Sec. 402A. Optional treatment of elective deferrals as plus contributions.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 622. INCREASE IN BENEFIT AND CONTRIBUTION LIMITS.

(a) DEFINED BENEFIT PLANS.—

(1) DOLLAR LIMIT.—

(A) Subparagraph (A) of section 415(b)(1) (relating to limitation for defined benefit plans) is amended by striking ''$90,000'' and inserting ''$160,000''.

(B) Subparagraphs (C) and (D) of section 415(b)(2) are each amended by striking ''$90,000'' each place it appears in the headings and the text and inserting ''$160,000''.

(C) Paragraph (7) of section 415(b) (relating to benefits under certain collectively bargained plans) is amended by striking ''the greater of $68,212 or one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$90,000' '' and inserting ''one-half the amount otherwise applicable for such year under paragraph (1)(A) for '$160,000' ''.

(2) LIMIT REDUCED WHEN BENEFIT BEGINS BEFORE AGE 62.—Subparagraph (C) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 62''.

(3) LIMIT INCREASED WHEN BENEFIT BEGINS AFTER AGE 65.—Subparagraph (D) of section 415(b)(2) is amended by striking ''the social security retirement age'' each place it appears in the heading and text and inserting ''age 65''.

(4) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$90,000'' in paragraph (1)(A) and inserting ''$160,000'', and

(B) in paragraph (3)(A)—

(i) by striking ''$90,000'' in the heading and inserting ''$160,000'', and

(ii) by striking ''October 1, 1986'' and inserting ''July 1, 2000''.

(5) CONFORMING AMENDMENT.—Section 415(b)(2) is amended by striking subparagraph (F).

(b) DEFINED CONTRIBUTION PLANS.—

(1) DOLLAR LIMIT.—Subparagraph (A) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''$30,000'' and inserting ''$40,000''.

(2) COST-OF-LIVING ADJUSTMENTS.—Subsection (d) of section 415 (related to cost-of-living adjustments) is amended—

(A) by striking ''$30,000'' in paragraph (1)(C) and inserting ''$40,000'', and

(B) in paragraph (3)(D)—

(i) by striking ''$30,000'' in the heading and inserting ''$40,000'', and

(ii) by striking ''October 1, 1993'' and inserting ''July 1, 2000''.

(c) QUALIFIED TRUSTS.—

(1) COMPENSATION LIMIT.—Sections 401(a)(17), 404(l), 408(k), and 505(b)(7) are each amended by striking ''$150,000'' each place it appears and inserting ''$200,000''.

(2) BASE PERIOD AND ROUNDING OF COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended—

(A) by striking ''October 1, 1993'' and inserting ''July 1, 2000'', and

(B) by striking ''$10,000'' both places it appears and inserting ''$5,000''.

(d) ELECTIVE DEFERRALS.—

(1) IN GENERAL.—Paragraph (1) of section 402(g) (relating to limitation on exclusion for elective deferrals) is amended to read as follows:

''(1) IN GENERAL.—

''(A) LIMITATION.—Notwithstanding subsections (e)(3) and (h)(1)(B), the elective deferrals of any individual for any taxable year shall be included in such individual's gross income to the extent the amount of such deferrals for the taxable year exceeds the applicable dollar amount.

''(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount shall be the amount determined in accordance with the following table:

''For taxable years beginning in calendar year:	**The applicable dollar amount:**
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.''.

(2) COST-OF-LIVING ADJUSTMENT.—Paragraph (5) of section 402(g) is amended to read as follows:

''(5) COST-OF-LIVING ADJUSTMENT.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Section 402(g) (relating to limitation on exclusion for elective deferrals), as amended by paragraphs (1) and (2), is further amended by striking paragraph (4) and redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (4), (5), (6), (7), and (8), respectively.

(B) Paragraph (2) of section 457(c) is amended by striking ''402(g)(8)(A)(iii)'' and inserting ''402(g)(7)(A)(iii)''.

(C) Clause (iii) of section 501(c)(18)(D) is amended by striking ''(other than paragraph (4) thereof)''.

(e) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations) is amended—

(A) in subsections (b)(2)(A) and (c)(1) by striking ''$7,500'' each place it appears and

inserting ''the applicable dollar amount'', and

(B) in subsection (b)(3)(A) by striking ''$15,000'' and inserting ''twice the dollar amount in effect under subsection (b)(2)(A)''.

(2) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—Paragraph (15) of section 457(e) is amended to read as follows:

''(15) APPLICABLE DOLLAR AMOUNT.—

''(A) IN GENERAL.—The applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$11,000
2002	$12,000
2003	$13,000
2004	$14,000
2005 or thereafter	$15,000.

''(B) COST-OF-LIVING ADJUSTMENTS.—In the case of taxable years beginning after December 31, 2005, the Secretary shall adjust the $15,000 amount specified in the table in subparagraph (A) at the same time and in the same manner as under section 415(d), except that the base period shall be the calendar quarter beginning July 1, 2004, and any increase under this paragraph which is not a multiple of $500 shall be rounded to the next lowest multiple of $500.''.

(f) SIMPLE RETIREMENT ACCOUNTS.—

(1) LIMITATION.—Clause (ii) of section 408(p)(2)(A) (relating to general rule for qualified salary reduction arrangement) is amended by striking ''$6,000'' and inserting ''the applicable dollar amount''.

(2) APPLICABLE DOLLAR AMOUNT.—Subparagraph (E) of 408(p)(2) is amended to read as follows:

''(E) APPLICABLE DOLLAR AMOUNT; COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(ii), the applicable dollar amount shall be the amount determined in accordance with the following table:

"For taxable years beginning in calendar year:	The applicable dollar amount:
2001	$7,000
2002	$8,000
2003	$9,000
2004 or thereafter	$10,000.

''(ii) COST-OF-LIVING ADJUSTMENT.—In the case of a year beginning after December 31, 2004, the Secretary shall adjust the $10,000 amount under clause (i) at the same time and in the same manner as under section 415(d), except that the base period taken into account shall be the calendar quarter beginning July 1, 2003, and any increase under this subparagraph which is not a multiple of $500 shall be rounded to the next lower multiple of $500.''.

(3) CONFORMING AMENDMENTS.—

(A) Clause (I) of section 401(k)(11)(B)(i) is amended by striking ''$6,000'' and inserting ''the amount in effect under section 408(p)(2)(A)(ii)''.

(B) Section 401(k)(11) is amended by striking subparagraph (E).

(g) ROUNDING RULE RELATING TO DEFINED BENEFIT PLANS AND DEFINED CONTRIBUTION PLANS.—Paragraph (4) of section 415(d) is amended to read as follows:

''(4) ROUNDING.—

''(A) $160,000 AMOUNT.—Any increase under subparagraph (A) of paragraph (1) which is not a multiple of $5,000 shall be rounded to the next lowest multiple of $5,000.

''(B) $40,000 AMOUNT.—Any increase under subparagraph (C) of paragraph (1) which is not a multiple of $1,000 shall be rounded to the next lowest multiple of $1,000.''.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 623. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) AMENDMENT TO 1986 CODE.—Subparagraph (B) of section 4975(f)(6) (relating to exemptions not to apply to certain transactions) is amended by adding at the end the following new clause:

''(iii) LOAN EXCEPTION.—For purposes of subparagraph (A)(i), the term 'owner-employee' shall only include a person described in subclause (II) or (III) of clause (i).''.

(b) AMENDMENT TO ERISA.—Section 408(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(d)(2)) is amended by adding at the end the following new subparagraph:

''(C) For purposes of paragraph (1)(A), the term 'owner-employee' shall only include a person described in clause (ii) or (iii) of subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to loans made after December 31, 2001.

SEC. 624. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employees' trust or annuity plan and compensation under a deferred payment plan) is amended by adding at the end the following new subsection:

''(n) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—Elective deferrals (as defined in section 402(g)(3)) shall not be subject to any limitation contained in paragraph (3), (7), or (9) of subsection (a), and such elective deferrals shall not be taken into account in applying any such limitation to any other contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 625. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended—

(1) in clause (i), by inserting ''other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined),'' after ''single-employer plan,'',

(2) in clause (iii), by striking the period at the end and inserting '', and'', and

(3) by adding at the end the following new clause:

''(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined) for the plan year, $5 for each individual who is a participant in such plan during the plan year.''.

(b) DEFINITION OF NEW SINGLE-EMPLOYER PLAN.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new subparagraph:

''(F)(i) For purposes of this paragraph, a single-employer plan maintained by a contributing sponsor shall be treated as a new single-employer plan for each of its first 5 plan years if, during the 36-month period ending on the date of the adoption of such plan, the sponsor or any member of such sponsor's controlled group (or any predecessor of either) had not established or maintained a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new single-employer plan.

''(ii)(I) For purposes of this paragraph, the term 'small employer' means an employer which on the first day of any plan year has, in aggregation with all members of the controlled group of such employer, 100 or fewer employees.

''(II) In the case of a plan maintained by 2 or more contributing sponsors that are not part of the same controlled group, the employees of all contributing sponsors and controlled groups of such sponsors shall be aggregated for purposes of determining whether any contributing sponsor is a small employer.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 626. REDUCTION OF ADDITIONAL PBGC PREMIUM FOR NEW PLANS.

(a) IN GENERAL.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(E)) is amended by adding at the end the following new clause:

''(v) In the case of a new defined benefit plan, the amount determined under clause (ii) for any plan year shall be an amount equal to the product of the amount determined under clause (ii) and the applicable percentage. For purposes of this clause, the term 'applicable percentage' means—

''(I) 0 percent, for the first plan year.

''(II) 20 percent, for the second plan year.

''(III) 40 percent, for the third plan year.

''(IV) 60 percent, for the fourth plan year.

''(V) 80 percent, for the fifth plan year.

For purposes of this clause, a defined benefit plan (as defined in section 3(35)) maintained by a contributing sponsor shall be treated as a new defined benefit plan for its first 5 plan years if, during the 36-month period ending on the date of the adoption of the plan, the sponsor and each member of any controlled group including the sponsor (or any predecessor of either) did not establish or maintain a plan to which this title applies with respect to which benefits were accrued for substantially the same employees as are in the new plan.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 627. ELIMINATION OF USER FEE FOR REQUESTS TO IRS REGARDING NEW PENSION PLANS.

(a) ELIMINATION OF CERTAIN USER FEES.—The Secretary of the Treasury or the Secretary's delegate shall not require payment of user fees under the program established under section 7527 of the Internal Revenue Code of 1986 for requests to the Internal Revenue Service for ruling letters, opinion letters, and determination letters or similar requests with respect to the qualified status of a new pension benefit plan or any trust which is part of the plan.

(b) NEW PENSION BENEFIT PLAN.—For purposes of this section—

(1) IN GENERAL.—The term ''new pension benefit plan'' means a pension, profit-sharing, stock bonus, annuity, or employee stock ownership plan which is maintained by one or more eligible employers if such employer (or any predecessor employer) has not made a prior request described in subsection (a) for such plan (or any predecessor plan).

(2) ELIGIBLE EMPLOYER.—The term ''eligible employer'' means an employer (or any predecessor employer) which has not established or maintained a qualified employer plan with respect to which contributions

were made, or benefits were accrued for service, in the 3 most recent taxable years ending prior to the first taxable year in which the request is made.

(c) EFFECTIVE DATE.—The provisions of this section shall apply with respect to requests made after December 31, 2001.

SEC. 628. MODIFICATION OF TOP-HEAVY RULES.

(a) SIMPLIFICATION OF DEFINITION OF KEY EMPLOYEE.—

(1) IN GENERAL.—Section 416(i)(1)(A) (defining key employee) is amended—

(A) by striking ''or any of the 4 preceding plan years'' in the matter preceding clause (i),

(B) by striking clause (i) and inserting the following:

''(i) an officer of the employer having an annual compensation greater than $150,000,'',

(C) by striking clause (ii) and redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively, and

(D) by striking the second sentence in the matter following clause (iii), as redesignated by subparagraph (C).

(2) CONFORMING AMENDMENT.—Section 416(i)(1)(B)(iii) is amended by striking ''and subparagraph (A)(ii)''.

(b) MATCHING CONTRIBUTIONS TAKEN INTO ACCOUNT FOR MINIMUM CONTRIBUTION REQUIREMENTS.—Section 416(c)(2)(A) (relating to defined contribution plans) is amended by adding at the end the following: ''Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph.''.

(c) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

(1) IN GENERAL.—Paragraph (3) of section 416(g) is amended to read as follows:

''(3) DISTRIBUTIONS DURING LAST YEAR BEFORE DETERMINATION DATE TAKEN INTO ACCOUNT.—

''(A) IN GENERAL.—For purposes of determining—

''(i) the present value of the cumulative accrued benefit for any employee, or

''(ii) the amount of the account of any employee,

such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

''(B) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (A) shall be applied by substituting '5-year period' for '1-year period'.''.

(2) BENEFITS NOT TAKEN INTO ACCOUNT.—Subparagraph (E) of section 416(g)(4) is amended—

(A) by striking ''LAST 5 YEARS'' in the heading and inserting ''LAST YEAR BEFORE DETERMINATION DATE'', and

(B) by striking ''5-year period'' and inserting ''1-year period''.

(d) DEFINITION OF TOP-HEAVY PLANS.—Paragraph (4) of section 416(g) (relating to other special rules for top-heavy plans) is amended by adding at the end the following new subparagraph:

''(H) CASH OR DEFERRED ARRANGEMENTS USING ALTERNATIVE METHODS OF MEETING NONDISCRIMINATION REQUIREMENTS.—The term 'top-heavy plan' shall not include a plan which consists solely of—

''(i) a cash or deferred arrangement which meets the requirements of section 401(k)(12), and

''(ii) matching contributions with respect to which the requirements of section 401(m)(11) are met.

If, but for this subparagraph, a plan would be treated as a top-heavy plan because it is a member of an aggregation group which is a top-heavy group, contributions under the plan may be taken into account in determining whether any other plan in the group meets the requirements of subsection (c)(2).''.

(e) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENT.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended—

(A) by striking ''clause (ii)'' in clause (i) and inserting ''clause (ii) or (iii)'', and

(B) by adding at the end the following:

''(iii) EXCEPTION FOR FROZEN PLAN.—For purposes of determining an employee's years of service with the employer, any service with the employer shall be disregarded to the extent that such service occurs during a plan year when the plan benefits (within the meaning of section 410(b)) no employee or former employee.''.

(f) ELIMINATION OF FAMILY ATTRIBUTION.—Section 416(i)(1)(B) (defining 5-percent owner) is amended by adding at the end the following new clause:

''(iv) FAMILY ATTRIBUTION DISREGARDED.—Solely for purposes of applying this paragraph (and not for purposes of any provision of this title which incorporates by reference the definition of a key employee or 5-percent owner under this paragraph), section 318 shall be applied without regard to subsection (a)(1) thereof in determining whether any person is a 5-percent owner.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 629. REPEAL OF COORDINATION REQUIREMENTS FOR DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 622, is amended to read as follows:

''(c) LIMITATION.—The maximum amount of the compensation of any one individual which may be deferred under subsection (a) during any taxable year shall not exceed the amount in effect under subsection (b)(2)(A) (as modified by any adjustment provided under subsection (b)(3)).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.

Subtitle C—Enhancing Fairness for Women

SEC. 631. CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.

(a) ELECTIVE DEFERRALS.—Section 414 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

''(v) CATCHUP CONTRIBUTIONS FOR INDIVIDUALS AGE 50 OR OVER.—

''(1) IN GENERAL.—An applicable employer plan shall not be treated as failing to meet any requirement of this title solely because the plan permits an eligible participant to make additional elective deferrals in any plan year.

''(2) LIMITATION ON AMOUNT OF ADDITIONAL DEFERRALS.—

''(A) IN GENERAL.—A plan shall not permit additional elective deferrals under paragraph (1) for any year in an amount greater than the lesser of—

''(i) the applicable percentage of the applicable dollar amount for such elective deferrals for such year, or

''(ii) the excess (if any) of—

''(I) the participant's compensation for the year, over

''(II) any other elective deferrals of the participant for such year which are made without regard to this subsection.

''(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2001	10
2002	20
2003	30
2004	40
2005 and thereafter	50.

''(3) TREATMENT OF CONTRIBUTIONS.—In the case of any contribution to a plan under paragraph (1)—

''(A) such contribution shall not, with respect to the year in which the contribution is made—

''(i) be subject to any otherwise applicable limitation contained in section 402(g), 402(h), 403(b), 404(a), 404(h), 408, 415, or 457, or

''(ii) be taken into account in applying such limitations to other contributions or benefits under such plan or any other such plan, and

''(B) such plan shall not be treated as failing to meet the requirements of section 401(a)(4), 401(a)(26), 401(k)(3), 401(k)(11), 401(k)(12), 401(m), 403(b)(12), 408(k), 408(p), 408B, 410(b), or 416 by reason of the making of (or the right to make) such contribution.

''(4) ELIGIBLE PARTICIPANT.—For purposes of this subsection, the term 'eligible participant' means, with respect to any plan year, a participant in a plan—

''(A) who has attained the age of 50 before the close of the plan year, and

''(B) with respect to whom no other elective deferrals may (without regard to this subsection) be made to the plan for the plan year by reason of the application of any limitation or other restriction described in paragraph (3) or contained in the terms of the plan.

''(5) OTHER DEFINITIONS AND RULES.—For purposes of this subsection—

''(A) APPLICABLE DOLLAR AMOUNT.—The term 'applicable dollar amount' means, with respect to any year, the amount in effect under section 402(g)(1)(B), 408(p)(2)(E)(i), or 457(e)(15)(A), whichever is applicable to an applicable employer plan, for such year.

''(B) APPLICABLE EMPLOYER PLAN.—The term 'applicable employer plan' means—

''(i) an employees' trust described in section 401(a) which is exempt from tax under section 501(a),

''(ii) a plan under which amounts are contributed by an individual's employer for an annuity contract described in section 403(b),

''(iii) an eligible deferred compensation plan under section 457 of an eligible employer as defined in section 457(e)(1)(A), and

''(iv) an arrangement meeting the requirements of section 408 (k) or (p).

''(C) ELECTIVE DEFERRAL.—The term 'elective deferral' has the meaning given such term by subsection (u)(2)(C).

''(D) EXCEPTION FOR SECTION 457 PLANS.—This subsection shall not apply to an applicable employer plan described in paragraph (5)(B)(iii) for any year to which section 457(b)(3) applies.''.

(b) INDIVIDUAL RETIREMENT PLANS.—Section 219(b), as amended by section 611, is

amended by adding at the end the following new paragraph:

''(6) CATCHUP CONTRIBUTIONS.—

''(A) IN GENERAL.—In the case of an individual who has attained the age of 50 before the close of the taxable year, the dollar amount in effect under paragraph (1)(A) for such taxable year shall be equal to the applicable percentage of such amount determined without regard to this paragraph.

''(B) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage shall be determined in accordance with the following table:

"For taxable years beginning in:	The applicable percentage is:
2001	110
2002	120
2003	130
2004	140
2005 and thereafter	150.''.

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2001.

SEC. 632. EQUITABLE TREATMENT FOR CONTRIBUTIONS OF EMPLOYEES TO DEFINED CONTRIBUTION PLANS.

(a) EQUITABLE TREATMENT.—

(1) IN GENERAL.—Subparagraph (B) of section 415(c)(1) (relating to limitation for defined contribution plans) is amended by striking ''25 percent'' and inserting ''100 percent''.

(2) APPLICATION TO SECTION 403(b).—Section 403(b) is amended—

(A) by striking ''the exclusion allowance for such taxable year'' in paragraph (1) and inserting ''the applicable limit under section 415'',

(B) by striking paragraph (2), and

(C) by inserting ''or any amount received by a former employee after the 5th taxable year following the taxable year in which such employee was terminated'' before the period at the end of the second sentence of paragraph (3).

(3) CONFORMING AMENDMENTS.—

(A) Subsection (f) of section 72 is amended by striking ''section 403(b)(2)(D)(iii))'' and inserting ''section 403(b)(2)(D)(iii), as in effect before the enactment of the Taxpayer Refund Act of 1999)''.

(B) Section 404(a)(10)(B) is amended by striking '', the exclusion allowance under section 403(b)(2),''.

(C) Section 415(a)(2) is amended by striking '', and the amount of the contribution for such portion shall reduce the exclusion allowance as provided in section 403(b)(2)''.

(D) Section 415(c)(3) is amended by adding at the end the following new subparagraph:

''(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term 'participant's compensation' means the participant's includible compensation determined under section 403(b)(3).''.

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

''(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or a convention or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract or retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant's account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

''(B) $40,000 AGGREGATE LIMITATION.—The total amount of additions with respect to any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

''(C) ANNUAL ADDITION.—For purposes of this paragraph, the term 'annual addition' has the meaning given such term by paragraph (2).''.

(G) Subparagraph (B) of section 402(g)(7) (as redesignated by section 312(a)) is amended by inserting before the period at the end the following: ''(as in effect before the enactment of the Taxpayer Refund Act of 1999)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

(b) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—

(1) IN GENERAL.—Subsection (k) of section 415 is amended by adding at the end the following new paragraph:

''(4) SPECIAL RULES FOR SECTIONS 403(b) AND 408.—For purposes of this section, any annuity contract described in section 403(b) for the benefit of a participant shall be treated as a defined contribution plan maintained by each employer with respect to which the participant has the control required under subsection (b) or (c) of section 414 (as modified by subsection (h)). For purposes of this section, any contribution by an employer to a simplified employee pension plan for an individual for a taxable year shall be treated as an employer contribution to a defined contribution plan for such individual for such year.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall apply to limitation years beginning after December 31, 2000.

(c) DEFERRED COMPENSATION PLANS OF STATE AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.—

(1) IN GENERAL.—Subparagraph (B) of section 457(b)(2) (relating to salary limitation on eligible deferred compensation plans) is amended by striking ''33⅓ percent'' and inserting ''100 percent''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 633. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) IN GENERAL.—Section 414(p)(11) (relating to application of rules to governmental and church plans) is amended—

(1) by inserting ''or an eligible deferred compensation plan (within the meaning of section 457(b))'' after ''subsection (e))'', and

(2) in the heading, by striking ''GOVERNMENTAL AND CHURCH PLANS'' and inserting ''CERTAIN OTHER PLANS''.

(b) WAIVER OF CERTAIN DISTRIBUTION REQUIREMENTS.—Paragraph (10) of section 414(p) is amended by striking ''and section 409(d)'' and inserting ''section 409(d), and section 457(d)''.

(c) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—Subsection (p) of section 414 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

''(12) TAX TREATMENT OF PAYMENTS FROM A SECTION 457 PLAN.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(e)(1)(A) shall apply to such distribution or payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers, distributions, and payments made after December 31, 2001.

SEC. 634. MODIFICATION OF SAFE HARBOR RELIEF FOR HARDSHIP WITHDRAWALS FROM CASH OR DEFERRED ARRANGEMENTS.

(a) IN GENERAL.—The Secretary of the Treasury shall revise the regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(b) EFFECTIVE DATE.—The revised regulations under subsection (a) shall apply to years beginning after December 31, 2001.

SEC. 635. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) AMENDMENTS TO 1986 CODE.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (12), a plan'', and

(2) by adding at the end the following:

''(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(b) AMENDMENTS TO ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ''A plan'' and inserting ''Except as provided in paragraph (4), a plan'', and

(2) by adding at the end the following:

''(4) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A) of the Internal Revenue Code of 1986), paragraph (2) shall be applied—

''(A) by substituting '3 years' for '5 years' in subparagraph (A), and

''(B) by substituting the following table for the table contained in subparagraph (B):

"Years of service:	The nonforfeitable percentage is:
2	20
3	40
4	60
5	80
6	100.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to contributions for plan years beginning after December 31, 2001.

(2) COLLECTIVE BARGAINING AGREEMENTS.—In the case of a plan maintained pursuant to 1 or more collective bargaining agreements between employee representatives and 1 or more employers ratified by the date of enactment of this Act, the amendments made by this section shall not apply to contributions on behalf of employees covered by any such agreement for plan years beginning before the earlier of—

(A) the later of—

(i) the date on which the last of such collective bargaining agreements terminates (determined without regard to any extension thereof on or after such date of enactment), or

(ii) January 1, 2001, or

(B) January 1, 2005.

(3) SERVICE REQUIRED.—With respect to any plan, the amendments made by this section shall not apply to any employee before the date that such employee has 1 hour of service under such plan in any plan year to which the amendments made by this section apply.

Subtitle D—Increasing Portability for Participants

SEC. 641. ROLLOVERS ALLOWED AMONG VARIOUS TYPES OF PLANS.

(a) ROLLOVERS FROM AND TO SECTION 457 PLANS.—

(1) ROLLOVERS FROM SECTION 457 PLANS.—

(A) IN GENERAL.—Section 457(e) (relating to other definitions and special rules) is amended by adding at the end the following:

''(16) ROLLOVER AMOUNTS.—

''(A) GENERAL RULE.—In the case of an eligible deferred compensation plan established and maintained by an employer described in subsection (e)(1)(A), if—

''(i) any portion of the balance to the credit of an employee in such plan is paid to such employee in an eligible rollover distribution (within the meaning of section 402(c)(4) without regard to subparagraph (C) thereof),

''(ii) the employee transfers any portion of the property such employee receives in such distribution to an eligible retirement plan described in section 402(c)(8)(B), and

''(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) (other than paragraph (4)(C)) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A).

''(C) REPORTING.—Rollovers under this paragraph shall be reported to the Secretary in the same manner as rollovers from qualified retirement plans (as defined in section 4974(c)).''.

(B) DEFERRAL LIMIT DETERMINED WITHOUT REGARD TO ROLLOVER AMOUNTS.—Section 457(b)(2) (defining eligible deferred compensation plan) is amended by inserting ''(other than rollover amounts)'' after ''taxable year''.

(C) DIRECT ROLLOVER.—Paragraph (1) of section 457(d) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by inserting after subparagraph (B) the following:

''(C) in the case of a plan maintained by an employer described in subsection (e)(1)(A), the plan meets requirements similar to the requirements of section 401(a)(31).

Any amount transferred in a direct trustee-to-trustee transfer in accordance with section 401(a)(31) shall not be includible in gross income for the taxable year of transfer.''.

(D) WITHHOLDING.—

(i) Paragraph (12) of section 3401(a) is amended by adding at the end the following:

''(E) under or to an eligible deferred compensation plan which, at the time of such payment, is a plan described in section 457(b) maintained by an employer described in section 457(e)(1)(A); or''.

(ii) Paragraph (3) of section 3405(c) is amended to read as follows:

''(3) ELIGIBLE ROLLOVER DISTRIBUTION.—For purposes of this subsection, the term 'eligible rollover distribution' has the meaning given such term by section 402(f)(2)(A).''.

(iii) LIABILITY FOR WITHHOLDING.—Subparagraph (B) of section 3405(d)(2) is amended by striking ''or'' at the end of clause (ii), by striking the period at the end of clause (iii) and inserting '', or'', and by adding at the end the following:

''(iv) section 457(b).''.

(2) ROLLOVERS TO SECTION 457 PLANS.—

(A) IN GENERAL.—Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking ''and'' at the end of clause (iii), by striking the period at the end of clause (iv) and inserting '', and'', and by inserting after clause (iv) the following new clause:

''(v) an eligible deferred compensation plan described in section 457(b) of an employer described in section 457(e)(1)(A).''.

(B) SEPARATE ACCOUNTING.—Section 402(c) is amended by adding at the end the following new paragraph:

''(11) SEPARATE ACCOUNTING.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause may not accept transfers or rollovers from such retirement plans.''.

(C) 10 PERCENT ADDITIONAL TAX.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULE FOR ROLLOVERS TO SECTION 457 PLANS.—For purposes of this subsection, a distribution from an eligible deferred compensation plan (as defined in section 457(b)) of an employer described in section 457(e)(1)(A) shall be treated as a distribution from a qualified retirement plan described in 4974(c)(1) to the extent that such distribution is attributable to an amount transferred to an eligible deferred compensation plan from a qualified retirement plan (as defined in section 4974(c)).''.

(b) ALLOWANCE OF ROLLOVERS FROM AND TO 403(b) PLANS.—

(1) ROLLOVERS FROM SECTION 403(b) PLANS.—Section 403(b)(8)(A)(ii) (relating to rollover amounts) is amended by striking ''such distribution'' and all that follows and inserting ''such distribution to an eligible retirement plan described in section 402(c)(8)(B), and''.

(2) ROLLOVERS TO SECTION 403(b) PLANS.—Section 402(c)(8)(B) (defining eligible retirement plan), as amended by subsection (a), is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by inserting after clause (v) the following new clause:

''(vi) an annuity contract described in section 403(b).''.

(c) EXPANDED EXPLANATION TO RECIPIENTS OF ROLLOVER DISTRIBUTIONS.—Paragraph (1) of section 402(f) (relating to written explanation to recipients of distributions eligible for rollover treatment) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(E) of the provisions under which distributions from the eligible retirement plan receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.''.

(d) SPOUSAL ROLLOVERS.—Section 402(c)(9) (relating to rollover where spouse receives distribution after death of employee) is amended by striking ''; except that'' and all that follows up to the end period.

(e) CONFORMING AMENDMENTS.—

(1) Section 72(o)(4) is amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(2) Section 219(d)(2) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(3) Section 401(a)(31)(B) is amended by striking ''and 403(a)(4)'' and inserting '', 403(a)(4), 403(b)(8), and 457(e)(16)''.

(4) Subparagraph (A) of section 402(f)(2) is amended by striking ''or paragraph (4) of section 403(a)'' and inserting '', paragraph (4) of section 403(a), subparagraph (A) of section 403(b)(8), or subparagraph (A) of section 457(e)(16)''.

(5) Paragraph (1) of section 402(f) is amended by striking ''from an eligible retirement plan''.

(6) Subparagraphs (A) and (B) of section 402(f)(1) are amended by striking ''another eligible retirement plan'' and inserting ''an eligible retirement plan''.

(7) Subparagraph (B) of section 403(b)(8) is amended to read as follows:

''(B) CERTAIN RULES MADE APPLICABLE.—The rules of paragraphs (2) through (7) and (9) of section 402(c) and section 402(f) shall apply for purposes of subparagraph (A), except that section 402(f) shall be applied to the payor in lieu of the plan administrator.''.

(8) Section 408(a)(1) is amended by striking ''or 403(b)(8)'' and inserting '', 403(b)(8), or 457(e)(16)''.

(9) Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking ''and 408(d)(3)'' and inserting ''403(b)(8), 408(d)(3), and 457(e)(16)''.

(10) Section 415(c)(2) is amended by striking ''and 408(d)(3)'' and inserting ''408(d)(3), and 457(e)(16)''.

(11) Section 4973(b)(1)(A) is amended by striking ''or 408(d)(3)'' and inserting ''408(d)(3), or 457(e)(16)''.

(f) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of any amendment made by this section.

SEC. 642. ROLLOVERS OF IRAS INTO WORKPLACE RETIREMENT PLANS.

(a) IN GENERAL.—Subparagraph (A) of section 408(d)(3) (relating to rollover amounts) is amended by adding ''or'' at the end of clause (i), by striking clauses (ii) and (iii), and by adding at the end the following:

''(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to this paragraph).

For purposes of clause (ii), the term 'eligible retirement plan' means an eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B).''.

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 403(b) is amended by striking ''section 408(d)(3)(A)(iii)'' and inserting ''section 408(d)(3)(A)(ii)''.

(2) Clause (i) of section 408(d)(3)(D) is amended by striking ''(i), (ii), or (iii)'' and inserting ''(i) or (ii)''.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

''(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(t)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.''.

(c) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) SPECIAL RULE.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in clause (iii) or (iv) of section 402(c)(8)(B) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 643. ROLLOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) ROLLOVERS FROM EXEMPT TRUSTS.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution to the extent—

''(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (8)(B).''.

(b) OPTIONAL DIRECT TRANSFER OF ELIGIBLE ROLLOVER DISTRIBUTIONS.—Subparagraph (B) of section 401(a)(31) (relating to limitation) is amended by adding at the end the following: ''The preceding sentence shall not apply to such distribution if the plan to which such distribution is transferred—

''(i) agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

''(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).''.

(c) RULES FOR APPLYING SECTION 72 TO IRAS.—Paragraph (3) of section 408(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

''(H) APPLICATION OF SECTION 72.—

''(i) IN GENERAL.—If—

''(I) a distribution is made from an individual retirement plan, and

''(II) a rollover contribution is made to an eligible retirement plan described in section 402(c)(8)(B)(iii), (iv), (v), or (vi) with respect to all or part of such distribution,

then, notwithstanding paragraph (2), the rules of clause (ii) shall apply for purposes of applying section 72.

''(ii) APPLICABLE RULES.—In the case of a distribution described in clause (i)—

''(I) section 72 shall be applied separately to such distribution,

''(II) notwithstanding the pro rata allocation of income on, and investment in the contract, to distributions under section 72, the portion of such distribution rolled over to an eligible retirement plan described in clause (i) shall be treated as from income on the contract (to the extent of the aggregate income on the contract from all individual retirement plans of the distributee), and

''(III) appropriate adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2001.

SEC. 644. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) EXEMPT TRUSTS.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

''(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

''(B) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(b) IRAS.—Paragraph (3) of section 408(d) (relating to rollover contributions), as amended by section 333, is amended by adding after subparagraph (H) the following new subparagraph:

''(I) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (D) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 645. TREATMENT OF FORMS OF DISTRIBUTION.

(a) PLAN TRANSFERS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

''(D) PLAN TRANSFERS.—

''(i) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this subparagraph referred to as the 'transferor plan') to the extent that—

''(I) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan,

''(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I),

''(III) the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan,

''(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election,

''(V) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2), and

''(VI) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(ii) Clause (i) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(E) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This subparagraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(i) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated, and

''(ii) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(2) AMENDMENT TO ERISA.—Section 204(g) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)) is amended by adding at the end the following:

''(4)(A) A defined contribution plan (in this subparagraph referred to as the 'transferee plan') shall not be treated as failing to meet the requirements of this subsection merely because the transferee plan does not provide some or all of the forms of distribution previously available under another defined contribution plan (in this paragraph referred to as the 'transferor plan') to the extent that—

''(i) the forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan;

''(ii) the terms of both the transferor plan and the transferee plan authorize the transfer described in clause (i);

''(iii) the transfer described in clause (i) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan;

''(iv) the election described in clause (iii) was made after the participant or beneficiary received a notice describing the consequences of making the election;

''(v) if the transferor plan provides for an annuity as the normal form of distribution under the plan in accordance with section 417, the transfer is made with the consent of the participant's spouse (if any), and such consent meets requirements similar to the requirements imposed by section 417(a)(2); and

''(vi) the transferee plan allows the participant or beneficiary described in subclause (III) to receive any distribution to which the participant or beneficiary is entitled under the transferee plan in the form of a single sum distribution.

''(B) Subparagraph (A) shall apply to plan mergers and other transactions having the effect of a direct transfer, including consolidations of benefits attributable to different employers within a multiple employer plan.

''(5) ELIMINATION OF FORM OF DISTRIBUTION.—Except to the extent provided in regulations, a defined contribution plan shall not be treated as failing to meet the requirements of this section merely because of the elimination of a form of distribution previously available thereunder. This paragraph shall not apply to the elimination of a form of distribution with respect to any participant unless—

''(A) a single sum payment is available to such participant at the same time or times as the form of distribution being eliminated; and

''(B) such single sum payment is based on the same or greater portion of the participant's account as the form of distribution being eliminated.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to years beginning after December 31, 2001.

(b) REGULATIONS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—The last sentence of paragraph (6)(B) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended to read as follows: ''The Secretary may by regulations provide that this subparagraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.''.

(2) AMENDMENT TO ERISA.—The last sentence of section 204(g)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(g)(2)) is amended to read as follows: ''The Secretary of the Treasury may by regulations provide that this paragraph shall not apply to any plan amendment that does not adversely affect the rights of participants in a material manner.''.

(3) SECRETARY DIRECTED.—Not later than December 31, 2001, the Secretary of the Treasury is directed to issue final regulations under section 411(d)(6) of the Internal Revenue Code of 1986 and section 204(g)(2) of the Employee Retirement Income Security Act of 1974. Such regulations shall apply to plan years beginning after December 31, 2001, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 646. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

(1) SECTION 401(k).—

(A) Section 401(k)(2)(B)(i)(I) (relating to qualified cash or deferred arrangements) is amended by striking ''separation from service'' and inserting ''severance from employment''.

(B) Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets or subsidiary) is amended to read as follows:

''(A) IN GENERAL.—An event described in this subparagraph is the termination of the plan without establishment or maintenance of another defined contribution plan (other than an employee stock ownership plan as defined in section 4975(e)(7)).''.

(C) Section 401(k)(10) is amended—

(i) in subparagraph (B)—

(I) by striking ''An event'' in clause (i) and inserting ''A termination'', and

(II) by striking ''the event'' in clause (i) and inserting ''the termination'',

(ii) by striking subparagraph (C), and

(iii) by striking ''OR DISPOSITION OF ASSETS OR SUBSIDIARY'' in the heading.

(2) SECTION 403(b).—

(A) Paragraphs (7)(A)(ii) and (11)(A) of section 403(b) are each amended by striking ''separates from service'' and inserting ''has a severance from employment''.

(B) The heading for paragraph (11) of section 403(b) is amended by striking ''SEPARATION FROM SERVICE'' and inserting ''SEVERANCE FROM EMPLOYMENT''.

(3) SECTION 457.—Clause (ii) of section 457(d)(1)(A) is amended by striking ''is separated from service'' and inserting ''has a severance from employment''.

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

SEC. 647. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL DEFINED BENEFIT PLANS.

(a) 403(b) PLANS.—Subsection (b) of section 403 is amended by adding at the end the following new paragraph:

''(13) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(b) 457 PLANS.—

(1) Subsection (e) of section 457 is amended by adding after paragraph (17) the following new paragraph:

''(18) TRUSTEE-TO-TRUSTEE TRANSFERS TO PURCHASE PERMISSIVE SERVICE CREDIT.—No amount shall be includible in gross income by reason of a direct trustee-to-trustee transfer to a defined benefit governmental plan (as defined in section 414(d)) if such transfer is—

''(A) for the purchase of permissive service credit (as defined in section 415(n)(3)(A)) under such plan, or

''(B) a repayment to which section 415 does not apply by reason of subsection (k)(3) thereof.''.

(2) Section 457(b)(2) is amended by striking ''(other than rollover amounts)'' and inserting ''(other than rollover amounts and amounts received in a transfer referred to in subsection (e)(16))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to trustee-to-trustee transfers after December 31, 2001.

SEC. 648. EMPLOYERS MAY DISREGARD ROLLOVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—

(1) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 411(a)(11) (relating to restrictions on certain mandatory distributions) is amended by adding at the end the following:

''(D) SPECIAL RULE FOR ROLLOVER CONTRIBUTIONS.—A plan shall not fail to meet the requirements of this paragraph if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16).''.

(2) AMENDMENT TO ERISA.—Section 203(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended by adding at the end the following:

''(4) A plan shall not fail to meet the requirements of this subsection if, under the terms of the plan, the present value of the nonforfeitable accrued benefit is determined without regard to that portion of such benefit which is attributable to rollover contributions (and earnings allocable thereto). For purposes of this subparagraph, the term 'rollover contributions' means any rollover contribution under sections 402(c), 403(a)(4), 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986.''.

(b) ELIGIBLE DEFERRED COMPENSATION PLANS.—Clause (i) of section 457(e)(9)(A) is amended by striking ''such amount'' and inserting ''the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 649. INCLUSION REQUIREMENTS FOR SECTION 457 PLANS.

(a) YEAR OF INCLUSION.—Subsection (a) of section 457 (relating to year of inclusion in gross income) is amended to read as follows:

''(a) YEAR OF INCLUSION IN GROSS INCOME.—

''(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

''(A) is paid to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

''(B) is paid or otherwise made available to the participant or other beneficiary, in the case of a plan of an eligible employer described in subsection (e)(1)(B).

''(2) SPECIAL RULE FOR ROLLOVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.''.

(b) CONFORMING AMENDMENT.—So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

''(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in paragraph (1)(B)—''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions after December 31, 2001.

Subtitle E—Strengthening Pension Security and Enforcement

SEC. 651. REPEAL OF 150 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 412(c)(7) (relating to full-funding limitation) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in

the case of plan years beginning before January 1, 2004, the applicable percentage'', and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2001	160
2002	165
2003	170.''.

(b) AMENDMENT TO ERISA.—Section 302(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1082(c)(7)) is amended—

(1) by striking ''the applicable percentage'' in subparagraph (A)(i)(I) and inserting ''in the case of plan years beginning before January 1, 2004, the applicable percentage'', and

(2) by amending subparagraph (F) to read as follows:

''(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable percentage shall be determined in accordance with the following table:

"In the case of any plan year beginning in—	The applicable percentage is—
2001	160
2002	165
2003	170.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 652. EXTENSION OF MISSING PARTICIPANTS PROGRAM TO MULTIEMPLOYER PLANS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1350) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following:

''(c) MULTIEMPLOYER PLANS.—The corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate under section 4041A.''.

(b) CONFORMING AMENDMENT.—Section 206(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(f)) is amended by striking ''the plan shall provide that,''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after final regulations implementing subsection (c) of section 4050 of the Employee Retirement Income Security Act of 1974 (as added by subsection (a)) are prescribed.

SEC. 653. EXCISE TAX RELIEF FOR SOUND PENSION FUNDING.

(a) IN GENERAL.—Subsection (c) of section 4972 (relating to nondeductible contributions) is amended by adding at the end the following new paragraph:

''(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of nondeductible contributions for any taxable year, an employer may elect for such year not to take into account any contributions to a defined benefit plan except to the extent that such contributions exceed the full-funding limitation (as defined in section 412(c)(7), determined without regard to subparagraph (A)(i)(I) thereof). For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to defined contribution plans and then to amounts described in this paragraph. If an employer makes an election under this paragraph for a taxable year, paragraph (6) shall not apply to such employer for such taxable year.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 654. EXCISE TAX ON FAILURE TO PROVIDE NOTICE BY DEFINED BENEFIT PLANS SIGNIFICANTLY REDUCING FUTURE BENEFIT ACCRUALS.

(a) AMENDMENT TO 1986 CODE.—Chapter 43 of subtitle D (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

"SEC. 4980F. FAILURE OF APPLICABLE PLANS REDUCING BENEFIT ACCRUALS TO SATISFY NOTICE REQUIREMENTS.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of any applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

''(b) AMOUNT OF TAX.—

''(1) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual shall be $100 for each day in the noncompliance period with respect to such failure.

''(2) NONCOMPLIANCE PERIOD.—For purposes of this section, the term 'noncompliance period' means, with respect to any failure, the period beginning on the date the failure first occurs and ending on the date the failure is corrected.

''(c) LIMITATIONS ON AMOUNT OF TAX.—

''(1) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—In the case of failures that are due to reasonable cause and not to willful neglect, the tax imposed by subsection (a) for failures during the taxable year of the employer (or, in the case of a multiemployer plan, the taxable year of the trust forming part of the plan) shall not exceed $500,000. For purposes of the preceding sentence, all multiemployer plans of which the same trust forms a part shall be treated as one plan. For purposes of this paragraph, if not all persons who are treated as a single employer for purposes of this section have the same taxable year, the taxable years taken into account shall be determined under principles similar to the principles of section 1561.

''(2) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) to the extent that the payment of such tax would be excessive relative to the failure involved.

''(d) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

''(1) In the case of a plan other than a multiemployer plan, the employer.

''(2) In the case of a multiemployer plan, the plan.

''(e) NOTICE REQUIREMENTS FOR PLANS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.—

''(1) IN GENERAL.—If an applicable pension plan is amended to provide for a significant reduction in the rate of future benefit accrual, the plan administrator shall provide written notice to each applicable individual (and to each employee organization representing applicable individuals).

''(2) NOTICE.—The notice required by paragraph (1) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow applicable individuals to understand the effect of the plan amendment.

''(3) TIMING OF NOTICE.—Except as provided in regulations, the notice required by paragraph (1) shall be provided within a reasonable time before the effective date of the plan amendment.

''(4) DESIGNEES.—Any notice under paragraph (1) may be provided to a person designated, in writing, by the person to which it would otherwise be provided.

''(5) NOTICE BEFORE ADOPTION OF AMENDMENT.—A plan shall not be treated as failing to meet the requirements of paragraph (1) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.

''(f) APPLICABLE INDIVIDUAL; APPLICABLE PENSION PLAN.—For purposes of this section—

''(1) APPLICABLE INDIVIDUAL.—The term 'applicable individual' means, with respect to any plan amendment—

''(A) any participant in the plan, and

''(B) any beneficiary who is an alternate payee (within the meaning of section 414(p)(8)) under an applicable qualified domestic relations order (within the meaning of section 414(p)(1)(A)),

who may reasonably be expected to be affected by such plan amendment.

''(2) APPLICABLE PENSION PLAN.—The term 'applicable pension plan' means—

''(A) any defined benefit plan, or

''(B) an individual account plan which is subject to the funding standards of section 412,

which had 100 or more participants who had accrued a benefit, or with respect to whom contributions were made, under the plan (whether or not vested) as of the last day of the plan year preceding the plan year in which the plan amendment becomes effective. Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which the election provided by section 410(d) has not been made.''.

(b) AMENDMENT TO ERISA.—Section 204(h) of the Employee Retirement Income Security Act or 1974 (29 U.S.C. 1054(h)) is amended by adding at the end the following new paragraph:

''(3)(A) A plan to which paragraph (1) applies shall not be treated as meeting the requirements of such paragraph unless, in addition to any notice required to be provided to an individual or organization under such paragraph, the plan administrator provides the notice described in subparagraph (B).

''(B) The notice required by subparagraph (A) shall be written in a manner calculated to be understood by the average plan participant and shall provide sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow individuals to understand the effect of the plan amendment.

''(C) Except as provided in regulations prescribed by the Secretary of the Treasury, the notice required by subparagraph (A) shall be provided within a reasonable time before the effective date of the plan amendment.

''(D) A plan shall not be treated as failing to meet the requirements of subparagraph (A) merely because notice is provided before the adoption of the plan amendment if no material modification of the amendment occurs before the amendment is adopted.''.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 43 of subtitle D is amended by adding at the end the following new item:

''Sec. 4980F. Failure of applicable plans reducing benefit accruals to satisfy notice requirements.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under sections 4980F(e)(2) and (3) of the Internal Revenue Code of 1986 and section 204(h)(3) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) SPECIAL RULE.—The period for providing any notice required by the amendments made by this section shall not end before the date which is 3 months after the date of the enactment of this Act.

SEC. 655. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) IN GENERAL.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

''(b) EFFECTIVE DATE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to elective deferrals for plan years beginning after December 31, 2001.

''(2) NONAPPLICATION TO PREVIOUSLY ACQUIRED PROPERTY.—The amendments made by this section shall not apply to any elective deferral used to acquire an interest in the income or gain from employer securities or employer real property acquired—

''(A) before January 1, 2002, or

''(B) after such date pursuant to a written contract which was binding on such date and at all times thereafter on such plan.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply as if included in the provision of the Taxpayer Relief Act of 1997 to which it relates.

SEC. 656. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended to read as follows:

''(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEMPLOYER PLANS.—In the case of a governmental plan (as defined in section 414(d)) or a multiemployer plan (as defined in section 414(f)), subparagraph (B) of paragraph (1) shall not apply.''.

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to combining of plans) is amended by adding at the end the following:

''(3) EXCEPTION FOR MULTIEMPLOYER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan (as defined in section 414(f)) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying the limitations established in this section. The preceding sentence shall not apply for purposes of applying subsection (b)(1)(A) to a plan which is not a multiemployer plan.''.

(2) CONFORMING AMENDMENT FOR AGGREGATION OF PLANS.—Subsection (g) of section 415 (relating to aggregation of plans) is amended by striking ''The Secretary'' and inserting ''Except as provided in subsection (f)(3), the Secretary''.

(c) APPLICATION OF SPECIAL EARLY RETIREMENT RULES.—Section 415(b)(2)(F) (relating to plans maintained by governments and tax-exempt organizations) is amended—

(1) by inserting ''a multiemployer plan (within the meaning of section 414(f)),'' after ''section 414(d)),'', and

(2) by striking the heading and inserting:

''(F) SPECIAL EARLY RETIREMENT RULES FOR CERTAIN PLANS.—''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 657. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

''(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

''(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

''(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

''(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as 1 plan, but only employees of such member or employer shall be taken into account.

''(iv) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.''.

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

''(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

''(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

''(B) the sum of—

''(i) the amount of contributions described in section 401(m)(4)(A), plus

''(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 658. INCREASE IN SECTION 415 EARLY RETIREMENT LIMIT FOR GOVERNMENTAL AND OTHER PLANS.

(a) IN GENERAL.—Subclause (II) of section 415(b)(2)(F)(i), as amended by section 346(c), is amended—

(1) by striking ''$75,000'' and inserting ''80 percent of the dollar amount in effect under paragraph (1)(A)'', and

(2) by striking ''the $75,000 limitation'' and inserting ''80 percent of such dollar amount''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

Subtitle F—Encouraging Retirement Education

SEC. 661. PERIODIC PENSION BENEFITS STATEMENTS.

(a) IN GENERAL.—Section 105(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025 (a)) is amended to read as follows:

''(a)(1) Except as provided in paragraph (2)—

''(A) the administrator of an individual account plan shall furnish a pension benefit statement—

''(i) to a plan participant at least once annually, and

''(ii) to a plan beneficiary upon written request, and

''(B) the administrator of a defined benefit plan shall furnish a pension benefit statement—

''(i) at least once every 3 years to each participant with a nonforfeitable accrued benefit who is employed by the employer maintaining the plan at the time the statement is furnished to participants, and

''(ii) to a participant or beneficiary of the plan upon written request.

''(2) Notwithstanding paragraph (1), the administrator of a plan to which more than 1 unaffiliated employer is required to contribute shall only be required to furnish a pension benefit statement under paragraph (1) upon the written request of a participant or beneficiary of the plan.

''(3) A pension benefit statement under paragraph (1)—

''(A) shall indicate, on the basis of the latest available information—

''(i) the total benefits accrued, and

''(ii) the nonforfeitable pension benefits, if any, which have accrued, or the earliest date on which benefits will become nonforfeitable,

''(B) shall be written in a manner calculated to be understood by the average plan participant, and

''(C) may be provided in written, electronic, telephonic, or other appropriate form.

''(4) In the case of a defined benefit plan, the requirements of paragraph (1)(B)(i) shall be treated as met with respect to a participant if the administrator provides the participant at least once each year with notice of the availability of the pension benefit statement and the ways in which the participant may obtain such statement. Such notice shall be provided in written, electronic, telephonic, or other appropriate form, and may be included with other communications to the participant if done in a manner reasonably designed to attract the attention of the participant.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 105 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025) is amended by striking subsection (d).

(2) Section 105(b) of such Act (29 U.S.C. 1025(b)) is amended to read as follows:

''(b) In no case shall a participant or beneficiary of a plan be entitled to more than one statement described in subsection (a)(1)(A) or (a)(1)(B)(ii), whichever is applicable, in any 12-month period.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 662. CLARIFICATION OF TREATMENT OF EMPLOYER-PROVIDED RETIREMENT ADVICE.

(a) IN GENERAL.—Subsection (a) of section 132 (relating to exclusion from gross income) is amended by striking ''or'' at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting '', or'', and by adding at the end the following new paragraph:

''(7) qualified retirement planning services.''.

(b) QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 132 is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following:

''(m) QUALIFIED RETIREMENT PLANNING SERVICES.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified retirement planning services' means any retirement planning service provided to an employee and his spouse by an employer maintaining a qualified employer plan.

''(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compensated employees only if such services are available on substantially the same terms to each member of the group of employees normally provided education and information regarding the employer's qualified employer plan.

''(3) QUALIFIED EMPLOYER PLAN.—For purposes of this subsection, the term 'qualified employer plan' means a plan, contract, pension, or account described in section 219(g)(5).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

Subtitle G—Reducing Regulatory Burdens

SEC. 671. FLEXIBILITY IN NONDISCRIMINATION AND COVERAGE RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall, by regulation, provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary to appropriately limit the availability of such test, and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by subsection (a) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(b) COVERAGE TEST.—

(1) IN GENERAL.—Section 410(b)(1) (relating to minimum coverage requirements) is amended by adding at the end the following:

''(D) In the case that the plan fails to meet the requirements of subparagraphs (A), (B) and (C), the plan—

''(i) satisfies subparagraph (B), as in effect immediately before the enactment of the Tax Reform Act of 1986,

''(ii) is submitted to the Secretary for a determination of whether it satisfies the requirement described in clause (i), and

''(iii) satisfies conditions prescribed by the Secretary by regulation that appropriately limit the availability of this subparagraph.

Clause (ii) shall apply only to the extent provided by the Secretary.''.

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

SEC. 672. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Section 412(c)(9) (relating to annual valuation) is amended—

(1) by striking ''For purposes'' and inserting the following:

''(A) IN GENERAL.—For purposes'', and

(2) by adding at the end the following:

''(B) ELECTION TO USE PRIOR YEAR VALUATION.—

''(i) IN GENERAL.—Except as provided in clause (ii), if, for any plan year—

''(I) an election is in effect under this subparagraph with respect to a plan, and

''(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

''(ii) EXCEPTIONS.—

''(I) ACTUAL VALUATION EVERY 3 YEARS.—Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

''(II) REGULATIONS.—Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

''(iii) ADJUSTMENTS.—Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) ELECTION.—An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary.''.

(b) AMENDMENTS TO ERISA.—Paragraph (9) of section 302(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(c)) is amended—

(1) by inserting ''(A)'' after ''(9)'', and

(2) by adding at the end the following:

''(B)(i) Except as provided in clause (ii), if, for any plan year—

''(I) an election is in effect under this subparagraph with respect to a plan, and

''(II) the assets of the plan are not less than 125 percent of the plan's current liability (as defined in paragraph (7)(B)), determined as of the valuation date for the preceding plan year,

then this section shall be applied using the information available as of such valuation date.

''(ii)(I) Clause (i) shall not apply for more than 2 consecutive plan years and valuation shall be under subparagraph (A) with respect to any plan year to which clause (i) does not apply by reason of this subclause.

''(II) Clause (i) shall not apply to the extent that more frequent valuations are required under the regulations under subparagraph (A).

''(iii) Information under clause (i) shall, in accordance with regulations, be actuarially adjusted to reflect significant differences in participants.

''(iv) An election under this subparagraph, once made, shall be irrevocable without the consent of the Secretary of the Treasury.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SEC. 673. SUBSTANTIAL OWNER BENEFITS IN TERMINATED PLANS.

(a) MODIFICATION OF PHASE-IN OF GUARANTEE.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

''(5)(A) For purposes of this paragraph, the term 'majority owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

''(i) owns the entire interest in an unincorporated trade or business,

''(ii) in the case of a partnership, is a partner who owns, directly or indirectly, 50 percent or more of either the capital interest or the profits interest in such partnership, or

''(iii) in the case of a corporation, owns, directly or indirectly, 50 percent or more in value of either the voting stock of that corporation or all the stock of that corporation.

For purposes of clause (iii), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).

''(B) In the case of a participant who is a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

''(i) a fraction (not to exceed 1) the numerator of which is the number of years from the later of the effective date or the adoption date of the plan to the termination date, and the denominator of which is 10, and

''(ii) the amount of benefits that would be guaranteed under this section if the participant were not a majority owner.''.

(b) MODIFICATION OF ALLOCATION OF ASSETS.—

(1) Section 4044(a)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344(a)(4)(B)) is amended by striking ''section 4022(b)(5)'' and inserting ''section 4022(b)(5)(B)''.

(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking ''(5)'' in paragraph (2) and inserting ''(4), (5),'', and

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following:

''(3) If assets available for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of that paragraph. Any remaining assets shall then be allocated to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets

shall be allocated pro rata among individuals on the basis of the present value (as of the termination date) of their respective benefits described in that subparagraph.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking ''as defined in section 4022(b)(6)'', and

(B) by adding at the end the following:

''(d) For purposes of subsection (b)(9), the term 'substantial owner' means an individual who, at any time during the 60-month period ending on the date the determination is being made—

''(1) owns the entire interest in an unincorporated trade or business,

''(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

''(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in value of either the voting stock of that corporation or all the stock of that corporation. For purposes of paragraph (3), the constructive ownership rules of section 1563(e) of the Internal Revenue Code of 1986 shall apply (determined without regard to section 1563(e)(3)(C)).''.

(2) Section 4043(c)(7) of such Act (29 U.S.C. 1343(c)(7)) is amended by striking ''section 4022(b)(6)'' and inserting ''section 4021(d)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to plan terminations—

(A) under section 4041(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1341(c)) with respect to which notices of intent to terminate are provided under section 4041(a)(2) of such Act (29 U.S.C. 1341(a)(2)) after December 31, 2001, and

(B) under section 4042 of such Act (29 U.S.C. 1342) with respect to which proceedings are instituted by the corporation after such date.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (c) shall take effect on the date of enactment of this Act.

SEC. 674. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DEDUCTION.

(a) IN GENERAL.—Section 404(k)(2)(A) (defining applicable dividends) is amended by striking ''or'' at the end of clause (ii), by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) is, at the election of such participants or their beneficiaries—

''(I) payable as provided in clause (i) or (ii), or

''(II) paid to the plan and reinvested in qualifying employer securities, or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 675. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) EXPANSION OF PERIOD.—

(1) IN GENERAL.—

(A) AMENDMENT OF INTERNAL REVENUE CODE OF 1986.—Subparagraph (A) of section 417(a)(6) is amended by striking ''90-day'' and inserting ''1-year''.

(B) AMENDMENT TO ERISA.—Subparagraph (A) of section 205(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(7)) is amended by striking ''90-day'' and inserting ''1-year''.

(2) MODIFICATION OF REGULATIONS.—The Secretary of the Treasury shall modify the regulations under sections 402(f), 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute ''1-year'' for ''90 days'' each place it appears in Treasury Regulations sections 1.402(f)–1, 1.411(a)–11(c), and 1.417(e)–1(b).

(3) EFFECTIVE DATE.—The amendments made by paragraph (1) and the modifications required by paragraph (2) shall apply to years beginning after December 31, 2001.

(b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide that the description of a participant's right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(2) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2001.

SEC. 676. REPEAL OF TRANSITION RULE RELATING TO CERTAIN HIGHLY COMPENSATED EMPLOYEES.

(a) IN GENERAL.—Paragraph (4) of section 1114(c) of the Tax Reform Act of 1986 is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to plan years beginning after December 31, 1999.

SEC. 677. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.410(b)–6(g) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contributions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as excludable with respect to a plan under section 401 (k) or (m) of such Code that is provided under the same general arrangement as a plan under such section 401(k), if—

(1) no employee of an organization described in section 403(b)(1)(A)(i) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan, and

(2) 95 percent of the employees who are not employees of an organization described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401 (k) or (m).

(b) EFFECTIVE DATE.—The modification required by subsection (a) shall apply as of the same date set forth in section 1426(b) of the Small Business Job Protection Act of 1996.

SEC. 678. EXTENSION TO INTERNATIONAL ORGANIZATIONS OF MORATORIUM ON APPLICATION OF CERTAIN NONDISCRIMINATION RULES APPLICABLE TO STATE AND LOCAL PLANS.

(a) IN GENERAL.—Subparagraph (G) of section 401(a)(5), subparagraph (H) of section 401(a)(26), subparagraph (G) of section 401(k)(3), and paragraph (2) of section 1505(d) of the Taxpayer Relief Act of 1997 are each amended by inserting ''or by an international organization which is described in section 414(d)'' after ''or instrumentality thereof)''.

(b) CONFORMING AMENDMENTS.—

(1) The headings for subparagraph (G) of section 401(a)(5) and subparagraph (H) of section 401(a)(26) are each amended by inserting ''AND INTERNATIONAL ORGANIZATION'' after ''GOVERNMENTAL''.

(2) Subparagraph (G) of section 401(k)(3) is amended by inserting ''STATE AND LOCAL GOVERNMENTAL AND INTERNATIONAL ORGANIZATION PLANS.—'' after ''(G)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 679. ANNUAL REPORT DISSEMINATION.

(a) IN GENERAL.—Section 104(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1024(b)(3)) is amended by striking ''shall furnish'' and inserting ''shall make available for examination (and, upon request, shall furnish)''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to reports for years beginning after December 31, 2001.

SEC. 681. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $500,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term ''one-participant retirement plan'' means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated), or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation),

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses),

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the 1st day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2001.

SEC. 682. REPEAL OF THE MULTIPLE USE TEST.

(a) IN GENERAL.—Paragraph (9) of section 401(m) is amended to read as follows:

''(9) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2001.

Subtitle H—Plan Amendments

SEC. 691. PROVISIONS RELATING TO PLAN AMENDMENTS.

(a) IN GENERAL.—If this section applies to any plan or contract amendment—

(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in subsection (b)(2)(A), and

(2) such plan shall not fail to meet the requirements of section 411(d)(6) of the Internal Revenue Code of 1986 by reason of such amendment.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—

(1) IN GENERAL.—This section shall apply to any amendment to any plan or annuity contract which is made—

(A) pursuant to any amendment made by this title, or pursuant to any regulation issued under this title, and

(B) on or before the last day of the first plan year beginning on or after January 1, 2003.

In the case of a government plan (as defined in section 414(d) of the Internal Revenue Code of 1986), this paragraph shall be applied by substituting ''2005'' for ''2003''.

(2) CONDITIONS.—This section shall not apply to any amendment unless—

(A) during the period—

(i) beginning on the date the legislative or regulatory amendment described in paragraph (1)(A) takes effect (or in the case of a plan or contract amendment not required by such legislative or regulatory amendment, the effective date specified by the plan), and

(ii) ending on the date described in paragraph (1)(B) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(B) such plan or contract amendment applies retroactively for such period.

LOTT AMENDMENT NO. 3842

Mr. GRAMM (for Mr. LOTT) proposed an amendment to the bill, H.R. 8, supra; as follows:

At the end of the bill, add the following:

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking ''$500'' and inserting ''the contribution limit for such taxable year''.

(2) CONTRIBUTION LIMIT.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(4) CONTRIBUTION LIMIT.—The term 'contribution limit' means $500 ($2,000 in the case of any taxable year beginning after December 31, 1999, and ending before January 1, 2004).''

(3) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking ''$500'' and inserting ''the contribution limit (as defined in section 530(b)(4)) for such taxable year''.

(b) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

''(2) QUALIFIED EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified education expenses' means—

''(i) qualified higher education expenses (as defined in section 529(e)(3)), and

''(ii) qualified elementary and secondary education expenses (as defined in paragraph (5)).

Such expenses shall be reduced as provided in section 25A(g)(2).

''(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).''

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) (relating to definitions and special rules), as amended by subsection (a)(2), is amended by adding at the end the following new paragraph:

''(5) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means—

''(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, and

''(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

''(B) SPECIAL RULE FOR HOMESCHOOLING.—Such term shall include expenses described in subparagraph (A)(i) in connection with education provided by homeschooling if the requirements of any applicable State or local law are met with respect to such education.

''(C) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.''

(3) SPECIAL RULES FOR APPLYING EXCLUSION TO ELEMENTARY AND SECONDARY EXPENSES.—Section 530(d)(2) (relating to distributions for qualified higher education expenses) is amended by adding at the end the following new subparagraph:

''(E) SPECIAL RULES FOR ELEMENTARY AND SECONDARY EXPENSES.—

''(i) IN GENERAL.—The aggregate amount of qualified elementary and secondary education expenses taken into account for purposes of this paragraph with respect to any education individual retirement account for all taxable years shall not exceed the sum of the aggregate contributions to such account for taxable years beginning after December 31, 1999, and before January 1, 2004, and earnings on such contributions.

''(ii) SPECIAL OPERATING RULES.—For purposes of clause (i)—

''(I) the trustee of an education individual retirement account shall keep separate accounts with respect to contributions and earnings described in clause (i), and

''(II) if there are distributions in excess of qualified elementary and secondary education expenses for any taxable year, such excess distributions shall be allocated first to contributions and earnings not described in clause (i).''

(4) CONFORMING AMENDMENTS.—Section 530 is amended—

(A) by striking ''higher'' each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking ''HIGHER'' in the heading for subsection (d)(2).

(c) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

''The age limitations in the preceding sentence and paragraphs (5) and (6) of subsection (d) shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).''

(d) ENTITIES PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking ''The maximum amount which a contributor'' and inserting ''In the case of a contributor who is an individual, the maximum amount the contributor''.

(e) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

(1) IN GENERAL.—Section 530(b) (relating to definitions and special rules), as amended by subsection (b)(2), is amended by adding at the end the following new paragraph:

''(6) TIME WHEN CONTRIBUTIONS DEEMED MADE.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).''

(2) EXTENSION OF TIME TO RETURN EXCESS CONTRIBUTIONS.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

''(i) such distribution is made before the 1st day of the 6th month of the taxable year following the taxable year, and'', and

(B) by striking ''DUE DATE OF RETURN'' in the heading and inserting ''JUNE''.

(f) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 530(d)(2)(C) is amended to read as follows:

''(C) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

''(i) CREDIT COORDINATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), subparagraph (A) shall not apply for any taxable year to any qualified higher education expenses with respect to any individual if a credit is allowed under section 25A with respect to such expenses for such taxable year.

''(II) SPECIAL COORDINATION RULE.—In the case of any taxable year beginning after December 31, 1999, and before January 1, 2004, subclause (I) shall not apply, but the total amount of qualified higher education expenses otherwise taken into account under subparagraph (A) with respect to an individual for such taxable year shall be reduced (after the application of the reduction provided in section 25A(g)(2)) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A with respect to such expenses.

''(ii) COORDINATION WITH QUALIFIED TUITION PROGRAMS.—If the aggregate distributions to which subparagraph (A) and section 529(c)(3)(B) apply exceed the total amount of qualified higher education expenses otherwise taken into account under subparagraph (A) (after the application of clause (i)) with

respect to an individual for any taxable year, the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 25A is amended to read as follows:

''(e) ELECTION NOT TO HAVE SECTION APPLY.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.''

(B) Section 135(d)(2)(A) is amended by striking ''allowable'' and inserting ''allowed''.

(C) Section 530(b)(2)(A) is amended by striking '', reduced as provided in section 25A(g)(2)''.

(D) Section 530(d)(2)(D) is amended—

(i) by striking ''or credit'', and

(ii) by striking ''CREDIT OR'' in the heading.

(E) Section 4973(e)(1) is amended by adding ''and'' at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 602. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

''SEC. 222. HIGHER EDUCATION EXPENSES.

''(a) ALLOWANCE OF DEDUCTION.—

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction an amount equal to the applicable dollar amount of the qualified higher education expenses paid by the taxpayer during the taxable year.

''(2) APPLICABLE DOLLAR AMOUNT.—The applicable dollar amount for any taxable year shall be determined as follows:

	Applicable dollar amount:
''Taxable year:	
2002	$4,000
2003	$8,000
2004 and thereafter	$12,000.

''(b) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(1) IN GENERAL.—The amount which would (but for this subsection) be taken into account under subsection (a) shall be reduced (but not below zero) by the amount determined under paragraph (2).

''(2) AMOUNT OF REDUCTION.—The amount determined under this paragraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

''(A) the excess of—

''(i) the taxpayer's modified adjusted gross income for such taxable year, over

''(ii) $62,450 ($104,050 in the case of a joint return, $89,150 in the case of a return filed by a head of household, and $52,025 in the case of a return by a married individual filing separately), bears to

''(B) $15,000.

''(3) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this subsection, the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined—

''(A) without regard to this section and sections 911, 931, and 933, and

''(B) after the application of sections 86, 135, 219, 220, and 469.

For purposes of the sections referred to in subparagraph (B), adjusted gross income shall be determined without regard to the deduction allowed under this section.

''(c) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of this section—

''(1) QUALIFIED HIGHER EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition and fees charged by an educational institution and required for the enrollment or attendance of—

''(i) the taxpayer,

''(ii) the taxpayer's spouse,

''(iii) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151, or

''(iv) any grandchild of the taxpayer,

as an eligible student at an institution of higher education.

''(B) ELIGIBLE COURSES.—Amounts paid for qualified higher education expenses of any individual shall be taken into account under subsection (a) only to the extent such expenses—

''(i) are attributable to courses of instruction for which credit is allowed toward a baccalaureate degree by an institution of higher education or toward a certificate of required course work at a vocational school, and

''(ii) are not attributable to any graduate program of such individual.

''(C) EXCEPTION FOR NONACADEMIC FEES.—Such term does not include any student activity fees, athletic fees, insurance expenses, or other expenses unrelated to a student's academic course of instruction.

''(D) ELIGIBLE STUDENT.—For purposes of subparagraph (A), the term 'eligible student' means a student who—

''(i) meets the requirements of section 484(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)), as in effect on the date of the enactment of this section, and

''(ii) is carrying at least one-half the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education.

''(E) IDENTIFICATION REQUIREMENT.—No deduction shall be allowed under subsection (a) to a taxpayer with respect to an eligible student unless the taxpayer includes the name, age, and taxpayer identification number of such eligible student on the return of tax for the taxable year.

''(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution which—

''(A) is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this section, and

''(B) is eligible to participate in programs under title IV of such Act.

''(d) SPECIAL RULES.—

''(1) NO DOUBLE BENEFIT.—

''(A) IN GENERAL.—No deduction shall be allowed under subsection (a) for any expense for which a deduction is allowable to the taxpayer under any other provision of this chapter unless the taxpayer irrevocably waives his right to the deduction of such expense under such other provision.

''(B) DENIAL OF DEDUCTION IF CREDIT ELECTED.—No deduction shall be allowed under subsection (a) for a taxable year with respect to the qualified higher education expenses of an individual if the taxpayer elects to have section 25A apply with respect to such individual for such year.

''(C) DEPENDENTS.—No deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(D) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a) for qualified higher education expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135 or 530(d)(2) for the taxable year.

''(2) LIMITATION ON TAXABLE YEAR OF DEDUCTION.—

''(A) IN GENERAL.—A deduction shall be allowed under subsection (a) for qualified higher education expenses for any taxable year only to the extent such expenses are in connection with enrollment at an institution of higher education during the taxable year.

''(B) CERTAIN PREPAYMENTS ALLOWED.—Subparagraph (A) shall not apply to qualified higher education expenses paid during a taxable year if such expenses are in connection with an academic term beginning during such taxable year or during the first 3 months of the next taxable year.

''(3) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amount of qualified higher education expenses otherwise taken into account under subsection (a) with respect to the education of an individual shall be reduced (before the application of subsection (b)) by the sum of the amounts received with respect to such individual for the taxable year as—

''(A) a qualified scholarship which under section 117 is not includable in gross income,

''(B) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or

''(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) for educational expenses, or attributable to enrollment at an eligible educational institution, which is exempt from income taxation by any law of the United States.

''(4) NO DEDUCTION FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(5) NONRESIDENT ALIENS.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

''(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring recordkeeping and information reporting.''

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) is amended by inserting after paragraph (17) the following:

''(18) HIGHER EDUCATION EXPENSES.—The deduction allowed by section 222.''

(c) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 is amended by striking the item relating to section 222 and inserting the following:

''Sec. 222. Higher education expenses.

''Sec. 223. Cross reference.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made in taxable years beginning after December 31, 2001.

SEC. 603. CREDIT FOR INTEREST ON HIGHER EDUCATION LOANS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 25A the following new section:

"SEC. 25B. INTEREST ON HIGHER EDUCATION LOANS.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the interest paid by the taxpayer during the taxable year on any qualified education loan.

''(b) MAXIMUM CREDIT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the credit allowed by subsection (a) for the taxable year shall not exceed $1,500.

''(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—If the modified adjusted gross income of the taxpayer for the taxable year exceeds $50,000 ($80,000 in the case of a joint return), the amount which would (but for this paragraph) be allowable as a credit under this section shall be reduced (but not below zero) by the amount which bears the same ratio to the amount which would be so allowable as such excess bears to $20,000.

''(B) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to sections 911, 931, and 933.

''(C) INFLATION ADJUSTMENT.—In the case of any taxable year beginning after 2003, the $50,000 and $80,000 amounts referred to in subparagraph (A) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2002' for '1992'.

''(D) ROUNDING.—If any amount as adjusted under subparagraph (C) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

''(c) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No credit shall be allowed by this section to an individual for the taxable year if a deduction under section 151 with respect to such individual is allowed to another taxpayer for the taxable year beginning in the calendar year in which such individual's taxable year begins.

''(d) LIMIT ON PERIOD CREDIT ALLOWED.—A credit shall be allowed under this section only with respect to interest paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as 1 loan.

''(e) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED EDUCATION LOAN.—The term 'qualified education loan' has the meaning given such term by section 221(e)(1).

''(2) DEPENDENT.—The term 'dependent' has the meaning given such term by section 152.

''(f) SPECIAL RULES.—

''(1) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section for any amount taken into account for any deduction under any other provision of this chapter.

''(2) MARRIED COUPLES MUST FILE JOINT RETURN.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

''(3) MARITAL STATUS.—Marital status shall be determined in accordance with section 7703.''

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

''Sec. 25B. Interest on higher education loans.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any qualified education loan (as defined in section 25B(e)(1) of the Internal Revenue Code of 1986, as added by this section) incurred on, before, or after the date of the enactment of this Act, but only with respect to any loan interest payment due after December 31, 2001.

SEC. 604. CERTIFIED TEACHER CREDIT.

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

(1) Studies have shown that the greatest single in-school factor affecting student achievement is teacher quality.

(2) Most accomplished teachers do not get the rewards they deserve.

(3) After adjusting amounts for inflation, the average teacher salary for 1997–1998 of $39,347 is just $2 above what it was in 1993. Such salary is also just $1,924 more than the average salary recorded in 1972, a real increase of only $75 per year.

(4) While K–12 enrollments are steadily increasing, the teacher population is aging. There is a need, now more than ever, to attract competent, capable, and bright college graduates or mid-career professionals to the teaching profession.

(5) The Department of Education projects that 2,000,000 new teachers will have to be hired in the next decade. Shortages, if they occur, will most likely be felt in urban or rural regions of the country where working conditions may be difficult or compensation low.

(6) If students are to receive a high quality education and remain competitive in the global market the United States must attract talented and motivated people to the teaching profession in large numbers.

(b) ALLOWANCE OF CREDIT.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. CERTIFIED TEACHER CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an eligible teacher, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year $5,000.

''(2) YEAR CREDIT ALLOWED.—The credit under paragraph (1) shall be allowed in the taxable year in which the taxpayer becomes a certified individual.

''(b) DEFINITIONS.—For purposes of this section—

''(1) ELIGIBLE TEACHER.—

''(A) IN GENERAL.—The term 'eligible teacher' means a certified individual who is a pre-kindergarten or early childhood educator, or a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school on a full-time basis for an academic year ending during a taxable year.

''(B) CERTIFIED INDIVIDUAL.—The term 'certified individual' means an individual who has successfully completed the requirements for advanced certification provided by the National Board for Professional Teaching Standards.

''(2) ELEMENTARY OR SECONDARY SCHOOL.—The term 'elementary or secondary school' means a public elementary or secondary school which—

''(A) is located in a school district of a local educational agency which is eligible, during the taxable year, for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), and

''(B) during the taxable year, the Secretary of Education determines to have an enrollment of children counted under section 1124(c) of such Act (20 U.S.C. 6333(c)) in an amount in excess of an amount equal to 40 percent of the total enrollment of such school.

''(c) VERIFICATION.—The credit allowed under subsection (a) shall be allowed with respect to any certified individual only if the certification is verified in such manner as the Secretary shall prescribe by regulation.

''(d) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.''.

(c) EXCLUSION FROM INCOME FOR CERTAIN AMOUNTS.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and inserting after section 138 the following new section:

"SEC. 139. CERTAIN AMOUNTS RECEIVED BY CERTIFIED TEACHERS.

''(a) IN GENERAL.—In the case of a certified teacher, gross income shall not include the value of anything received during the taxable year solely by reason of such teacher having successfully completed the requirements for advanced certification provided by the National Board for Professional Teaching Standards (such as an incentive payment).

''(b) CERTIFIED TEACHER.—For purposes of this section, the term 'certified teacher' has the meaning given the term 'eligible teacher' under section 35(b)(1).

''(c) VERIFICATION.—The exclusion under subsection (a) shall be allowed with respect to any certified teacher only if the certification is verified in such manner as the Secretary shall prescribe by regulation.

''(d) AMOUNTS MUST BE REASONABLE.—Amounts excluded under subsection (a) shall include only amounts which are reasonable.''.

(d) CONFORMING AMENDMENTS.—

(1) Section 1324(b)(2) of title 31, United States Code, is amended by striking ''or'' before ''enacted'' and by inserting before the period at the end '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

''Sec. 35. Certified teacher credit.

''Sec. 36. Overpayments of tax.''

(3) The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

''Sec. 139. Certain amounts received by certified teachers.

''Sec. 140. Cross references to other Acts.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 605. SENSE OF THE SENATE REGARDING COVERAGE OF PRESCRIPTION DRUGS UNDER THE MEDICARE PROGRAM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Projected on-budget surpluses for the next 10 years total $1,900,000,000,000, according to the President's mid-session review.

(2) Eliminating the death tax would reduce revenues by $104,000,000,000 over 10 years, leaving on-budget surpluses of $1,800,000,000,000.

(3) The medicare program established under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) faces the dual problem of inadequate coverage of prescription drugs and rapid escalation of program costs with the retirement of the baby boom generation.

(4) The concurrent resolution on the budget for fiscal year 2001 provides $40,000,000,000 for prescription drug coverage in the context of a reform plan that improves the long-term outlook for the medicare program.

(5) The Committee on Finance of the Senate currently is working in a bipartisan manner on reporting legislation that will reform the medicare program and provide a prescription drug benefit.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) on-budget surpluses are sufficient to both repeal the death tax and improve coverage of prescription drugs under the medicare program and Congress should do both this year; and

(2) the Senate should pass adequately funded legislation that can effectively—

(A) expand access to outpatient prescription drugs;

(B) modernize the medicare benefit package;

(C) make structural improvements to improve the long term solvency of the medicare program;

(D) reduce medicare beneficiaries' out-of-pocket prescription drug costs, placing the highest priority on helping the elderly with the greatest need; and

(E) give the elderly access to the same discounted rates on prescription drugs as those available to Americans enrolled in private insurance plans.

SEC. 606. DEDUCTION FOR PREMIUMS FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 (relating to additional itemized deductions) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following:

"SEC. 222. PREMIUMS FOR LONG-TERM CARE INSURANCE.

''(a) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a deduction an amount equal to 100 percent of the amount paid during the taxable year for any coverage for qualified long-term care services (as defined in section 7702B(c)) or any qualified long-term care insurance contract (as defined in section 7702B(b)) which constitutes medical care for the taxpayer, his spouse, and dependents.

''(b) LIMITATIONS.—

''(1) DEDUCTION NOT AVAILABLE TO INDIVIDUALS ELIGIBLE FOR EMPLOYER-SUBSIDIZED COVERAGE.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), subsection (a) shall not apply to any taxpayer for any calendar month for which the taxpayer is eligible to participate in any plan which includes coverage for qualified long-term care services (as so defined) or is a qualified long-term care insurance contract (as so defined) maintained by any employer (or former employer) of the taxpayer or of the spouse of the taxpayer.

''(B) CONTINUATION COVERAGE.—Coverage shall not be treated as subsidized for purposes of this paragraph if—

''(i) such coverage is continuation coverage (within the meaning of section 4980B(f)) required to be provided by the employer, and

''(ii) the taxpayer or the taxpayer's spouse is required to pay a premium for such coverage in an amount not less than 100 percent of the applicable premium (within the meaning of section 4980B(f)(4)) for the period of such coverage.

''(2) LIMITATION ON LONG-TERM CARE PREMIUMS.—In the case of a qualified long-term care insurance contract (as so defined), only eligible long-term care premiums (as defined in section 213(d)(10)) shall be taken into account under subsection (a)(2).

''(c) SPECIAL RULES.—For purposes of this section—

''(1) COORDINATION WITH MEDICAL DEDUCTION, ETC.—Any amount paid by a taxpayer for insurance to which subsection (a) applies shall not be taken into account in computing the amount allowable to the taxpayer as a deduction under section 213(a).

''(2) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX PURPOSES.—The deduction allowable by reason of this section shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 62 is amended by inserting after paragraph (17) the following:

''(18) LONG-TERM CARE INSURANCE COSTS OF CERTAIN INDIVIDUALS.—The deduction allowed by section 222.''.

(2) The table of sections for part VII of subchapter B of chapter 1 is amended by striking the last item and inserting the following:

''Sec. 222. Premiums for long-term care insurance.

''Sec. 223. Cross reference.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 607. FULL AVAILABILITY OF MEDICAL SAVINGS ACCOUNTS.

(a) AVAILABILITY NOT LIMITED TO ACCOUNTS FOR EMPLOYEES OF SMALL EMPLOYERS AND SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Section 220(c)(1)(A) (relating to eligible individual) is amended to read as follows:

''(A) IN GENERAL.—The term 'eligible individual' means, with respect to any month, any individual if—

''(i) such individual is covered under a high deductible health plan as of the 1st day of such month, and

''(ii) such individual is not, while covered under a high deductible health plan, covered under any health plan—

''(I) which is not a high deductible health plan, and

''(II) which provides coverage for any benefit which is covered under the high deductible health plan.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 220(c)(1) is amended by striking subparagraphs (C) and (D).

(B) Section 220(c) is amended by striking paragraph (4) (defining small employer) and by redesignating paragraph (5) as paragraph (4).

(C) Section 220(b) is amended by striking paragraph (4) (relating to deduction limited by compensation) and by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(b) REMOVAL OF LIMITATION ON NUMBER OF TAXPAYERS HAVING MEDICAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 220 (relating to medical savings accounts) is amended by striking subsections (i) and (j).

(2) MEDICARE+CHOICE.—Section 138 (relating to Medicare+Choice MSA) is amended by striking subsection (f).

(c) REDUCTION IN HIGH DEDUCTIBLE PLAN MINIMUM ANNUAL DEDUCTIBLE.—

(1) IN GENERAL.—Subparagraph (A) of section 220(c)(2) (defining high deductible health plan) is amended—

(A) by striking ''$1,500'' and inserting ''$1,000'', and

(B) by striking ''$3,000'' in clause (ii) and inserting ''$2,000''.

(2) CONFORMING AMENDMENT.—Subsection (g) of section 220 is amended—

(A) by striking ''1998'' and inserting ''1999''; and

(B) by striking ''1997'' and inserting ''1998''.

(d) INCREASE IN CONTRIBUTION LIMIT TO 100 PERCENT OF ANNUAL DEDUCTIBLE.—

(1) IN GENERAL.—Section 220(b)(2) (relating to monthly limitation) is amended to read as follows:

''(2) MONTHLY LIMITATION.—The monthly limitation for any month is the amount equal to 1/12 of the annual deductible of the high deductible health plan of the individual.''.

(2) CONFORMING AMENDMENT.—Section 220(d)(1)(A) is amended by striking ''75 percent of''.

(e) LIMITATION ON ADDITIONAL TAX ON DISTRIBUTIONS NOT USED FOR QUALIFIED MEDICAL EXPENSES.—Section 220(f)(4) (relating to additional tax on distributions not used for qualified medical expenses) is amended by adding at the end the following:

''(D) EXCEPTION IN CASE OF SUFFICIENT ACCOUNT BALANCE.—Subparagraph (A) shall not apply to any payment or distribution in any taxable year, but only to the extent such payment or distribution does not reduce the fair market value of the assets of the medical savings account to an amount less than the annual deductible for the high deductible health plan of the account holder (determined as of January 1 of the calendar year in which the taxable year begins).''.

(f) TREATMENT OF NETWORK-BASED MANAGED CARE PLANS.—Section 220(c)(2)(B) (relating to special rules for high deductible health plans) is amended by adding at the end the following:

''(iii) TREATMENT OF NETWORK-BASED MANAGED CARE PLANS.—A plan that provides health care services through a network of contracted or affiliated health care providers, if the benefits provided when services are obtained through network providers meet the requirements of subparagraph (A), shall not fail to be treated as a high deductible health plan by reason of providing benefits for services rendered by providers who are not members of the network, so long as the annual deductible and annual limit on out-of-pocket expenses applicable to services received from non-network providers are not lower than those applicable to services received from the network providers.''.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 609. INCREASE IN NUMBER OF YEARS DISREGARDED.

(a) IN GENERAL.—Section 215(b)(2) of the Social Security Act (42 U.S.C. 415(b)(2)) is amended—

(1) by striking the period at the end of clause (ii) of subparagraph (A) and inserting a comma;

(2) by striking ''Clause (ii), once'' after and below clause (ii) of subparagraph (A) and inserting the following: ''and reduced further

to the extent provided in subparagraph (B). Clause (ii), once'';

(3) by striking ''If an individual'' in the matter following clause (ii) of subparagraph (A) and all that follows through the end of subparagraph (A);

(4) by redesignating subparagraph (B) as subparagraph (F); and

(5) by inserting after subparagraph (A) the following new subparagraphs:

''(B) Subject to subparagraph (C), in any case in which—

''(i) in any calendar year which is included in an individual's computation base years—

''(I) such individual is living with a child (of such individual or his or her spouse) under the age of 12; or

''(II) such individual is living with a child (of such individual or his or her spouse), a parent (of such individual or his or her spouse), or such individual's spouse while such child, parent, or spouse is a chronically dependent individual;

''(ii) such calendar year is not disregarded pursuant to subparagraphs (A) and (E) (in determining such individual's benefit computation years) by reason of the reduction in the number of such individual's elapsed years under subparagraph (A); and

''(iii) such individual submits to the Secretary, in such form as the Secretary shall prescribe by regulations, a written statement that the requirements of clause (i) are met with respect to such calendar year,

then the number by which such elapsed years are reduced under this paragraph pursuant to subparagraph (A) shall be increased by one (up to a combined total not exceeding 5) for each such calendar year.

''(C)(i)(I) No calendar year shall be disregarded by reason of subparagraph (B) (in determining such individual's benefit computation years) unless the individual had less than the applicable dollar amount (in effect for such calendar year under subclause (II)) of earnings as described in section 203(f)(5) for such year.

''(II) Except as otherwise provided in this subclause, the applicable dollar amount in effect under this subclause for any calendar year is $3,000. In each calendar year after 2006, the Secretary shall determine and publish in the Federal Register, on or before November 1 of such calendar year, the applicable dollar amount which shall be effective under this subclause for the next calendar year. Such dollar amount shall be equal to the applicable dollar amount which is effective under this subclause for the calendar year in which such determination is made, increased by a percentage equal to the percentage (rounded to the nearest 1/10 of 1 percent) by which the Consumer Price Index (prepared by the Department of Labor and used in determining increases in benefits pursuant to section 215(i)) for the calendar quarter ending on September 30 of such calendar year exceeds such index for the calendar quarter ending on September 30 of the last preceding calendar year in which a cost-of-living increase in benefits became effective under section 215(i).

''(ii) No calendar year shall be disregarded by reason of subparagraph (B) (in determining such individual's benefit computation years) in connection with a child referred to in subparagraph (B)(i)(I) (and not referred to in subparagraph (B)(i)(II)) unless the individual was living with the child substantially throughout the period in such year in which the child was alive and under the age of 12 in such year.

''(iii) No calendar year shall be disregarded by reason of subparagraph (B) (in determining such individual's benefit computation years) in connection with a child, parent, or spouse referred to in subparagraph (B)(i)(II) unless the individual was living with such child, parent, or spouse substantially throughout a period of 180 consecutive days in such year throughout which such child, parent, or spouse was a chronically dependent individual.

''(iv) The particular calendar years to be disregarded under this subparagraph (in determining such benefit computation years) shall be those years (not otherwise disregarded under subparagraph (A)) which, before the application of subsection (f), meet the conditions of the preceding provisions of this clause.

''(v) This subparagraph shall apply only to the extent that—

''(I) its application would not result in a lower primary insurance amount; and

''(II) it does not raise the primary insurance amount to a level greater than the average old-age insurance benefit paid under this title.

''(D)(i) For purposes of this paragraph, the term 'chronically dependent individual' means an individual who—

''(I) is dependent on a daily basis on another person who is living with the individual and is assisting the individual without monetary compensation in the performance of at least 2 of the activities of daily living (described in clause (ii)), and

''(II) without such assistance could not perform such activities of daily living.

''(ii) The 'activities of daily living', referred to in clause (i), are the following:

''(I) Eating.

''(II) Bathing.

''(III) Dressing.

''(IV) Toileting.

''(V) Transferring in and out of a bed or in and out of a chair.

''(E) The number of an individual's benefit computation years as determined under this paragraph shall in no case be less than 2.''.

(b) EFFECTIVE DATE AND RELATED PROVISIONS.—

(1) IN GENERAL.—The amendments made by this Act shall apply with respect to computation base years ending before, on, or after the date of enactment of this Act, but only with respect to benefits payable for months after December 2005.

(2) NOTICE AND PROCEDURES.—

(A) 60-DAY FILING PERIOD AFTER ISSUANCE OF REGULATIONS FOR CALENDAR YEARS BEFORE 2001.—The requirements of clause (iii) of section 215(b)(2)(B) of the Social Security Act (as amended by this section) shall be treated as satisfied, in the case of a statement with respect to any calendar year before 2001, only if such statement is submitted to the Secretary of Health and Human Services not later than 60 days after the date of the first issuance in final form of the regulations required under such clause.

(B) NOTICE REQUIREMENTS.—The Secretary of Health and Human Services shall issue, not later than the date of the first issuance in final form of the regulations described in paragraph (1), regulations establishing procedures to ensure that—

(i) persons who are, as of such date, recipients of monthly benefits under section 202(a) or 223 of the Social Security Act, or applicants for such benefits, are fully informed of the amendments made by this section; and

(ii) such persons are invited to comply, and given a reasonable opportunity to comply, with the requirements of section 215(b)(2)(B)(iii) of the Social Security Act (as amended by this section), as provided in subparagraph (A).

Upon receiving from a recipient described in clauses (i) and (ii) a written statement referred to in clause (iii) of section 215(b)(2)(B) of the Social Security Act (as amended by this section) with respect to which the requirements of such clause are satisfied, the Secretary shall redetermine the amount of such benefits to the extent necessary to take into account the amendments made by this section (and if such redetermination results in an increase in such amount the increase shall be effective as provided in paragraph (1)). Such regulations described in subparagraph (A) shall also provide procedures to ensure that applicants for benefits under section 202(a) or 223 of the Social Security Act are given the opportunity, at the time of their application, to indicate and verify any additional years which may be disregarded under section 215(b)(2)(B) of the Social Security Act (as amended by this section).

SEC. 610. INCREASE IN WIDOWS' AND WIDOWERS' INSURANCE BENEFITS.

(a) WIDOW'S BENEFIT.—Section 202(e)(2)(A) of the Social Security Act (42 U.S.C. 402(e)(2)(A)) is amended by striking ''equal to'' and all that follows and inserting ''equal to the greater of—

''(i) the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual, or

''(ii) the lesser of—

''(I) 75 percent of the joint benefit which would have been received by the widow or surviving divorced wife and the deceased individual for such month if such individual had not died, or

''(II) the average old-age insurance benefit paid under this title.''.

(b) WIDOWER'S BENEFIT.—Section 202(f)(3)(A) of the Social Security Act (42 U.S.C. 402(b)(3)(A)) is amended by striking ''equal to'' and all that follows and inserting ''equal to the greater of—

''(i) the primary insurance amount (as determined for purposes of this subsection after application of subparagraphs (B) and (C)) of such deceased individual, or

''(ii) the lesser of—

''(I) 75 percent of the joint benefit which would have been received by the widow or surviving divorced wife and the deceased individual for such month if such individual had not died, or

''(II) the average old-age insurance benefit paid under this title.''.

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

SEC. 611. MODIFICATION OF DEPENDENT CARE CREDIT.

(a) INCREASE IN PERCENTAGE OF EMPLOYMENT-RELATED EXPENSES TAKEN INTO ACCOUNT.—Subsection (a)(2) of section 21 (relating to expenses for household and dependent care services necessary for gainful employment) is amended—

(1) by striking ''30 percent'' and inserting ''40 percent'',

(2) by striking ''$2,000'' and inserting ''$1,000'', and

(3) by striking ''$10,000'' and inserting ''$30,000''.

(b) INDEXING OF LIMIT ON EMPLOYMENT-RELATED EXPENSES.—Section 21(c) (relating to dollar limit on amount creditable) is amended to read as follows:

''(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—

''(1) IN GENERAL.—The amount of the employment-related expenses incurred during any taxable year which may be taken into

account under subsection (a) shall not exceed—

''(A) an amount equal to 50 percent of the amount determined under subparagraph (B) if there is 1 qualifying individual with respect to the taxpayer for such taxable year, or

''(B) $4,800 if there are 2 or more qualifying individuals with respect to the taxpayer for such taxable year.

The amount determined under subparagraph (A) or (B) (whichever is applicable) shall be reduced by the aggregate amount excludable from gross income under section 129 for the taxable year.

''(2) COST-OF-LIVING ADJUSTMENT.—

''(A) IN GENERAL.—In the case of a taxable year beginning after 2000, the $4,800 amount under paragraph (1)(B) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1999' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING RULES.—If any amount after adjustment under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lower multiple of $50.''.

(c) MINIMUM DEPENDENT CARE CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—

''(A) IN GENERAL.—Notwithstanding subsection (d), in the case of any taxpayer with 1 or more qualifying individuals described in subsection (b)(1)(A) under the age of 1, such taxpayer shall be deemed to have employment-related expenses for the taxable year with respect to each such qualifying individual in an amount equal to the sum of—

''(i) $200 for each month in such taxable year during which such qualifying individual is under the age of 1, and

''(ii) the amount of employment-related expenses otherwise incurred for such qualifying individual for the taxable year (determined under this section without regard to this paragraph).

''(B) ELECTION TO NOT APPLY THIS PARAGRAPH.—This paragraph shall not apply with respect to any qualifying individual for any taxable year if the taxpayer elects to not have this paragraph apply to such qualifying individual for such taxable year.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 612. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

''(a) ALLOWANCE OF CREDIT.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to the sum of—

''(1) 25 percent of the qualified child care expenditures, and

''(2) 10 percent of the qualified child care resource and referral expenditures,

of the taxpayer for such taxable year.

''(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED CHILD CARE EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care expenditure' means any amount paid or incurred—

''(i) to acquire, construct, rehabilitate, or expand property—

''(I) which is to be used as part of an eligible qualified child care facility of the taxpayer,

''(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

''(III) which does not constitute part of the principal residence (within the meaning of section 121) of the taxpayer or any employee of the taxpayer,

''(ii) for the operating costs of an eligible qualified child care facility of the taxpayer, including costs related to the training of employees of the child care facility, to scholarship programs, to the providing of differential compensation to employees based on level of child care training, and to expenses associated with achieving accreditation, or

''(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care expenditure' shall not include any amount expended in relation to any child care services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 121) of the operator of the facility.

''(B) ELIGIBLE QUALIFIED CHILD CARE FACILITY.—A qualified child care facility shall be treated as an eligible qualified child care facility with respect to the taxpayer if—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer, and

''(iii) at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(C) APPLICATION OF SUBPARAGRAPH (B).—In the case of a new facility, the facility shall be treated as meeting the requirement of subparagraph (B)(iii) if not later than 2 years after placing such facility in service at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer.

''(3) QUALIFIED CHILD CARE RESOURCE AND REFERRAL EXPENDITURE.—

''(A) IN GENERAL.—The term 'qualified child care resource and referral expenditure' means any amount paid or incurred under a contract to provide child care resource and referral services to employees of the taxpayer.

''(B) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified child care resource and referral expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(C) NONDISCRIMINATION.—The term 'qualified child care resource and referral expenditure' shall not include any amount expended in relation to any child care resource and referral services unless the providing of such services to employees of the taxpayer does not discriminate in favor of highly compensated employees (within the meaning of section 404(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any eligible qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

''(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

''(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

''If the recapture event occurs in:	**The applicable recapture percentage is:**
Year 1	100
Year 2	80
Year 3	60
Year 4	40
Year 5	20
Years 6 and thereafter	0.

''(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the eligible qualified child care facility is placed in service by the taxpayer.

''(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

''(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as an eligible qualified child care facility.

''(B) CHANGE IN OWNERSHIP.—

''(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in an eligible qualified child care facility with respect to which the credit described in subsection (a) was allowable.

''(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

''(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

''(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

''(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

''(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) is amended—

(A) by striking out ''plus'' at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and ''plus'', and

(C) by adding at the end the following new paragraph:

''(13) the employer-provided child care credit determined under section 45D.''.

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45D. Employer-provided child care credit.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 613. MARRIAGE PENALTY RELIEF FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Paragraph (2) of section 32(b) (relating to percentages and amounts) is amended—

(1) by striking ''AMOUNTS.—The earned'' and inserting ''AMOUNTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the earned''; and

(2) by adding at the end the following new subparagraph:

''(B) JOINT RETURNS.—In the case of a joint return, the phaseout amount determined under subparagraph (A) shall be increased by $2,500.''.

(b) INFLATION ADJUSTMENT.—Paragraph (1)(B) of section 32(j) (relating to inflation adjustments) is amended to read as follows:

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined—

''(i) in the case of amounts in subsections (b)(2)(A) and (i)(1), by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof, and

''(ii) in the case of the $2,500 amount in subsection (b)(2)(B), by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) of such section 1.''.

(c) ROUNDING.—Section 32(j)(2)(A) (relating to rounding) is amended by striking ''subsection (b)(2)'' and inserting ''subsection (b)(2)(A) (after being increased under subparagraph (B) thereof)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

BAYH (AND OTHERS) AMENDMENT NO. 3843

Mr. BAYH (for himself, Mr. DURBIN, Ms. MIKULSKI, Mr. FEINGOLD, Mr. KOHL, Mr. BIDEN, and Mr. GRAHAM) proposed an amendment to the bill, H.R. 8, supra; as follows:

Strike all after the first word and insert:

1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Estate Tax Relief Act of 2000''.

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

TITLE I—ESTATE TAX RELIEF

SEC. 101. INCREASE IN AMOUNT OF UNIFIED CREDIT AGAINST ESTATE AND GIFT TAXES.

(a) IN GENERAL.—The table contained in section 2010(c) (relating to applicable credit amount) is amended to read as follows:

''In the case of estates of decedents dying, and gifts made, during:	The applicable exclusion amount is:
2001, 2002, 2003, 2004, and 2005	$1,000,000
2006 and 2007	$1,125,000
2008	$1,500,000
2009 or thereafter	$2,000,000.''

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

SEC. 102. INCREASE IN QUALIFIED FAMILY-OWNED BUSINESS INTEREST DEDUCTION AMOUNT.

(a) IN GENERAL.—Paragraph (2) of section 2057(a) (relating to family-owned business interests) is amended to read as follows:

''(2) MAXIMUM DEDUCTION.—

''(A) IN GENERAL.—The deduction allowed by this section shall not exceed the sum of—

''(i) the applicable deduction amount, plus

''(ii) in the case of a decedent described in subparagraph (C), the applicable unused spousal deduction amount.

''(B) APPLICABLE DEDUCTION AMOUNT.—For purposes of this subparagraph (A)(i), the applicable deduction amount is determined in accordance with the following table:

''In the case of estates of decedents dying during:	The applicable deduction amount is:
2001, 2002, 2003, 2004, and 2005	$1,375,000
2006 and 2007	$1,625,000
2008	$2,375,000
2009 or thereafter	$3,375,000.

''(C) APPLICABLE UNUSED SPOUSAL DEDUCTION AMOUNT.—With respect to a decedent whose immediately predeceased spouse died after December 31, 2000, and the estate of such immediately predeceased spouse met the requirements of subsection (b)(1), the applicable unused spousal deduction amount for such decedent is equal to the excess of—

''(i) the applicable deduction amount allowable under this section to the estate of such immediately predeceased spouse, over

''(ii) the sum of—

''(I) the applicable deduction amount allowed under this section to the estate of such immediately predeceased spouse, plus

''(II) the amount of any increase in such estate's unified credit under paragraph (3)(B) which was allowed to such estate.''

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) is amended—

(1) by striking ''$675,000'' both places it appears and inserting ''the applicable deduction amount'', and

(2) by striking ''$675,000'' in the heading and inserting ''APPLICABLE DEDUCTION AMOUNT''.

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

TITLE II—HEALTH PROVISIONS

SEC. 201. LONG-TERM CARE TAX CREDIT.

(a) ALLOWANCE OF CREDIT.—

(1) IN GENERAL.—Section 24(a) (relating to allowance of child tax credit) is amended to read as follows:

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

''(A) $500 multiplied by the number of qualifying children of the taxpayer, plus

''(B) the applicable dollar amount multiplied by the number of applicable individuals with respect to whom the taxpayer is an eligible caregiver for the taxable year.

''(2) APPLICABLE DOLLAR AMOUNT.—For purposes of paragraph (1)(B), the applicable dollar amount for taxable years beginning in any calendar year shall be determined in accordance with the following table:

''Calendar year:	Applicable dollar amount:
2001	$1,000
2002	$1,500
2003	$2,000
2004	$2,500
2005 and thereafter	$3,000.''

(2) ADDITIONAL CREDIT FOR TAXPAYER WITH 3 OR MORE SEPARATE CREDIT AMOUNTS.—So much of section 24(d) as precedes paragraph (1)(A) thereof is amended to read as follows:

''(d) ADDITIONAL CREDIT FOR TAXPAYERS WITH 3 OR MORE SEPARATE CREDIT AMOUNTS.—

''(1) IN GENERAL.—If the sum of the number of qualifying children of the taxpayer and the number of applicable individuals with respect to which the taxpayer is an eligible caregiver is 3 or more for any taxable year, the aggregate credits allowed under subpart C shall be increased by the lesser of—''.

(3) CONFORMING AMENDMENTS.—

(A) The heading for section 32(n) is amended by striking ''CHILD'' and inserting ''FAMILY CARE''.

(B) The heading for section 24 is amended to read as follows:

''SEC. 24. FAMILY CARE CREDIT.''

(C) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 24 and inserting the following new item:

''Sec. 24. Family care credit.''

(b) DEFINITIONS.—Section 24(c) (defining qualifying child) is amended to read as follows:

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFYING CHILD.—

''(A) IN GENERAL.—The term 'qualifying child' means any individual if—

''(i) the taxpayer is allowed a deduction under section 151 with respect to such individual for the taxable year,

''(ii) such individual has not attained the age of 17 as of the close of the calendar year in which the taxable year of the taxpayer begins, and

''(iii) such individual bears a relationship to the taxpayer described in section 32(c)(3)(B).

''(B) EXCEPTION FOR CERTAIN NONCITIZENS.—The term 'qualifying child' shall not include any individual who would not be a dependent if the first sentence of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

''(2) APPLICABLE INDIVIDUAL.—

''(A) IN GENERAL.—The term 'applicable individual' means, with respect to any taxable year, any individual who has been certified, before the due date for filing the return of tax for the taxable year (without extensions), by a physician (as defined in section 1861(r)(1) of the Social Security Act) as being an individual with long-term care needs described in subparagraph (B) for a period—

''(i) which is at least 180 consecutive days, and

''(ii) a portion of which occurs within the taxable year.

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the 39½ month period ending on such due date (or such other period as the Secretary prescribes) a physician (as so defined) has certified that such individual meets such requirements.

''(B) INDIVIDUALS WITH LONG-TERM CARE NEEDS.—An individual is described in this subparagraph if the individual meets any of the following requirements:

''(i) The individual is at least 6 years of age and—

''(I) is unable to perform (without substantial assistance from another individual) at least 3 activities of daily living (as defined in section 7702B(c)(2)(B)) due to a loss of functional capacity, or

''(II) requires substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment and is unable to perform at least 1 activity of daily living (as so defined) or to the extent provided in regulations prescribed by the Secretary (in consultation with the Secretary of Health and Human Services), is unable to engage in age appropriate activities.

''(ii) The individual is at least 2 but not 6 years of age and is unable due to a loss of functional capacity to perform (without substantial assistance from another individual) at least 2 of the following activities: eating, transferring, or mobility.

''(iii) The individual is under 2 years of age and requires specific durable medical equipment by reason of a severe health condition or requires a skilled practitioner trained to address the individual's condition to be available if the individual's parents or guardians are absent.

''(3) ELIGIBLE CAREGIVER.—

''(A) IN GENERAL.—A taxpayer shall be treated as an eligible caregiver for any taxable year with respect to the following individuals:

''(i) The taxpayer.

''(ii) The taxpayer's spouse.

''(iii) An individual with respect to whom the taxpayer is allowed a deduction under section 151 for the taxable year.

''(iv) An individual who would be described in clause (iii) for the taxable year if section 151(c)(1)(A) were applied by substituting for the exemption amount an amount equal to the sum of the exemption amount, the standard deduction under section 63(c)(2)(C), and any additional standard deduction under section 63(c)(3) which would be applicable to the individual if clause (iii) applied.

''(v) An individual who would be described in clause (iii) for the taxable year if—

''(I) the requirements of clause (iv) are met with respect to the individual, and

''(II) the requirements of subparagraph (B) are met with respect to the individual in lieu of the support test of section 152(a).

''(B) RESIDENCY TEST.—The requirements of this subparagraph are met if an individual has as his principal place of abode the home of the taxpayer and—

''(i) in the case of an individual who is an ancestor or descendant of the taxpayer or the taxpayer's spouse, is a member of the taxpayer's household for over half the taxable year, or

''(ii) in the case of any other individual, is a member of the taxpayer's household for the entire taxable year.

''(C) SPECIAL RULES WHERE MORE THAN 1 ELIGIBLE CAREGIVER.—

''(i) IN GENERAL.—If more than 1 individual is an eligible caregiver with respect to the same applicable individual for taxable years ending with or within the same calendar year, a taxpayer shall be treated as the eligible caregiver if each such individual (other than the taxpayer) files a written declaration (in such form and manner as the Secretary may prescribe) that such individual will not claim such applicable individual for the credit under this section.

''(ii) NO AGREEMENT.—If each individual required under clause (i) to file a written declaration under clause (i) does not do so, the individual with the highest modified adjusted gross income (as defined in section 32(c)(5)) shall be treated as the eligible caregiver.

''(iii) MARRIED INDIVIDUALS FILING SEPARATELY.—In the case of married individuals filing separately, the determination under this subparagraph as to whether the husband or wife is the eligible caregiver shall be made under the rules of clause (ii) (whether or not one of them has filed a written declaration under clause (i)).''

(c) IDENTIFICATION REQUIREMENTS.—

(1) IN GENERAL.—Section 24(e) is amended by adding at the end the following new sentence: ''No credit shall be allowed under this section to a taxpayer with respect to any applicable individual unless the taxpayer includes the name and taxpayer identification number of such individual, and the identification number of the physician certifying such individual, on the return of tax for the taxable year.''

(2) ASSESSMENT.—Section 6213(g)(2)(I) of such Code is amended—

(A) by inserting ''or physician identification'' after ''correct TIN'', and

(B) by striking ''child'' and inserting ''family care''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SECTION 202. FULL DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Section 162(*l*)(1) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

''(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.''.

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

FEINGOLD AMENDMENT NO. 3844

Mr. FEINGOLD proposed an amendment to the bill, H.R. 8, supra; as follows:

On page 2, line 16, after ''is hereby repealed'', insert the following: ''for estates up to $100,000,000 in size''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 13, 2000, to conduct a mark-up on ''S. 2107, the Competitive Market Supervision Act; S. 2266, the 2002 Winter Olympic Commemorative Coin Act; S. 2453, awarding a Congressional Gold Medal to Pope John Paul II; S. 2459, awarding a Congressional Gold Medal to former President Ronald Reagan and former first lady Nancy Reagan; a committee print of a substitute amendment to S. 2101, the International Monetary Stability Act of 2000; and a committee print of a substitute amendment to H.R. 3046, providing for semiannual Federal reserve testimony before Congress.''

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 13, for purposes of conducting a Full Committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 13 immediately following the business meeting to conduct an oversight hearing. The committee will receive testimony on Gasoline Supply Problems: Are deliverability, transportation, and refining/blending resources adequate to supply America at a reasonable price?

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

COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Mr. ROTH. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Employment, Safety, and Training be authorized to meet for a hearing on ''The Effect of the Proposed Ergonomics Standard on Medicaid and Medicare Patients and Providers'' during the session of the Senate on Thursday, July 13, 2000 at 9:30 a.m.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. ROTH. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, July 13, 2000 at 2:30 p.m. to hold a closed hearing on intelligence matters.

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

SUBCOMMITTEE ON INTERNATIONAL SECURITY, PROLIFERATION, AND FEDERAL SERVICES

Mr. ROTH. Mr. President, I ask unanimous consent that the Governmental Affairs Subcommittee on International Security, Proliferation, and Federal Services be authorized to meet during the session of the Senate on Thursday, July 13, 2000, at 2:00 p.m. for a hearing on the annual report of the Postmaster General.

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

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. ROTH. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation and Recreation of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 13, at 2:30 p.m. to conduct a hearing. The subcommittee will receive testimony on S. 2294, a bill to establish the Rosie the Riveter-World War II Home Front National Historical Park in the State of California, and for other purposes; S. 2331, a bill to direct the Secretary of the Interior to recalculate the franchise fee owed by Fort Sumter Tours, Inc., a concessioner providing service to Fort Sumter National Monument, South Carolina; S. 2598, a bill to authorize appropriations for the United States Holocaust Museum, and for other purposes; and S. Con. Res. 106, a resolution recognizing the Hermann Monument and the Herman Heights Park in New Ulm, Minnesota, as a national symbol of the contributions of Americans of German heritage.

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

PRIVILEGE OF THE FLOOR

Mr. REID. I ask unanimous consent that Phoebe Haupt who works in my office be extended privileges of the floor during the pendency of H.R. 8.

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

Mr. REID. Mr. President, I ask unanimous consent that Ruth Lodder, an Air Force fellow in the office of FRANK LAUTENBERG, be granted floor privileges during the duration of the 106th Congress.

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

Mr. KERRY. Mr. President, I ask unanimous consent that Jennifer Fogul-Bublick, a fellow in my office, be granted the privilege of the floor during this debate.

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

Mr. ROTH. Mr. President, I ask unanimous consent that the following members of the staff of the Joint Committee on Taxation have floor privileges: Joe Nega, John Navratil, Rick Grafmeyer, Todd Simmens, Barry Wold, and Tom Barthold.

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

NATIONAL FRAGILE X AWARENESS DAY

On July 12, 2000, the Senate passed S. Res. 268, as follows:

S. RES. 268

Whereas Fragile X is the most common inherited cause of mental retardation, affecting people of every race, income level, and nationality;

Whereas 1 in every 260 women is a carrier of the Fragile X defect;

Whereas 1 in every 4,000 children is born with the Fragile X defect, and typically requires a lifetime of special care at a cost of over $2,000,000;

Whereas Fragile X remains frequently undetected due to its recent discovery and the lack of awareness about the disease, even within the medical community;

Whereas the genetic defect causing Fragile X has been discovered, and is easily identified by testing;

Whereas inquiry into Fragile X is a powerful research model for neuropsychiatric disorders, such as autism, schizophrenia, pervasive developmental disorders, and other forms of X-linked mental retardation;

Whereas individuals with Fragile X can provide a homogeneous research population for advancing the understanding of neuropsychiatric disorders;

Whereas with concerted research efforts, a cure for Fragile X may be developed;

Whereas Fragile X research, both basic and applied, has been vastly underfunded despite the prevalence of the disorder, the potential for the development of a cure, the established benefits of available treatments and intervention, and the significance that Fragile X research has for related disorders; and

Whereas the Senate as an institution and Members of Congress as individuals are in unique positions to help raise public awareness about the need for increased funding for research and early diagnosis and treatment for the disorder known as Fragile X: Now, therefore, be it

Resolved, That the Senate designate July 22, 2000 as ''National Fragile X Awareness Day''.

MEASURE PLACED ON THE CALENDAR—H.R. 894

Mr. ROTH. Mr. President, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 894) to encourage States to incarcerate individuals convicted of murder, rape, or child molestation.

Mr. ROTH. Mr. President, I object to further proceeding on this bill at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

MEASURE READ THE FIRST TIME—S. 2869

Mr. ROTH. Mr. President, I understand that S. 2869 is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2869) to protect religious liberty, and for other purposes.

Mr. ROTH. I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard.

CONGRATULATING THE PEOPLE OF MEXICO

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. Res. 335 submitted earlier by Senator HELMS for himself and others.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 335) congratulating the people of Mexico on the occasion of the democratic elections in that country.

There being no objection, the Senate proceeded to consider the resolution.

Mr. HELMS. Mr. President, unanimity is a rare event in the Senate these days but I suspect that there may be unanimous approval of a resolution I am proposing commending and congratulating the people of Mexico for their July 2 democratic elections, which shocked the experts who had predicted that the ruling Institutional Revolutionary Party (PRI) could not be defeated and driven from power. An articulate and steadfast candidate named Vicente Fox Quesada thought differently—and he was right.

With the support of millions of Mexicans across the political spectrum, Governor Fox won 42.5 percent of the votes cast—six points ahead of the PRI candidate, Francisco Labistida. And since the third-place candidate received nearly 17 percent of the vote, that meant that 60 percent of the 37.6 million Mexicans who voted wanted to put an end to the PRI's stranglehold.

Thus the conventional wisdom that regarded the PRI political machine as being invincible avoided two facts: (1) the legendary PRI political machine had never been in a fair fight; and (2) the Mexican people have been striving for decades to put an end to the one-party rule that has wrought corruption, poverty, and insecurity.

Mexico's president-elect, Vicente Fox, has pledged to root out the grinding corruption that has locked 40 percent of the Mexican population into poverty and the others into insecurity. Mr. Fox has an agenda of free-market policies with a commitment that no Mexican will be excluded from economic opportunity and development.

Furthermroe, president-elect Fox has a sensible plan to reform the Mexican Government to make it accountable to the people. And, he has vowed to work with the United States and other countries to fight the deadly gangsters who traffic in illegal drugs in Mexico with virtual impunity.

So, this ambitious reform agenda is good news for the American people as well as Mexicans. For the first time, we will have a full partner in a truly legitimate and sovereign Mexican Government—one willing to work with us to make the most of shared opportunities and to confront common challenges.

Outgoing President Ernesto Zedillo's election-night address, in which he recognized the victory of Vicente Fox and pledged to work for a smooth and orderly transition, seals his place in Mexican history. From his earliest days in office, President Zedillo had declared his intent to break the cycle of election thievery that had marked 70 years of PRI rule, and the gentleman kept his word.

A special tribute is due the men and women of the Federal Electoral Institute who systematically ensured that Mexicans would get the free and honest elections they demanded. The IFE lived up to its mandate and has shown itself to be one of the premier electoral bodies in the world.

My resolution congratulates the Mexican people, President-elect Fox, and President Ernesto Zedillo. It is a new day in Mexico and for relations between our two great nations.

Mr. BINGAMAN. Mr. President, I rise today in support of Senator HELM's resolution that commends Mexico on the results of their elections. There is no doubt that this was an event of historic proportions. The Mexican people have, through careful consideration and a peaceful political process, ended over seven decades of rule by a single political party. By doing so they have turned their country into a true democracy. They deserve this recognition.

My colleague's resolution captures the significance of this vote to the United States in terms of our national interest and our social welfare. As my state sits right across the border from Mexico, New Mexicans are well aware that the destinies of our two countries have been, and will be, intertwined. We have always shared similarities in heritage and language with the Mexican people, and this has established the means by which cultural and economic interaction can increase rapidly and consistently over time.

It is clear that the new President of Mexico, Vincente Fox, faces a broad range of tough challenges as he assumes office and plots a course for the future. Expectations are high and the obstacles are great. Privatization, corruption, education, economic growth, narcotics, crime and health—all these issues require immediate attention. It is encouraging to see President Ernesto Zedillo already working in tandem with the new government to ensure a successful transition. This will inevitably benefit the Mexican people.

I concur with the goals of the resolution, specifically the pledge for increased cooperation with the Government of Mexico so that we might confront the threats that our countries face and improve the quality of life for our people. I wish President-elect Fox luck in his efforts, and I look forward to working with him in the future.

Mr. ROTH. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 335) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 335

Whereas the United States and Mexico share a border of more than 2,000 miles;

Whereas Mexico is the second largest trade partner of the United States, with a two-way trade of $174,000,000,000;

Whereas United States companies have invested more than $25,000,000,000 in Mexico from 1994–1999;

Whereas more than 20,000,000 people now in the United States are of Mexican descent, a fact that in and of itself forges profound and permanent cultural ties between our 2 countries;

Whereas the well-being and security of the United States and Mexico require governments willing and able to cooperate fully to confront common threats, including organized crime, corruption, and trafficking in illicit narcotics;

Whereas the people of Mexico have struggled for decades for a true representative democracy, accountability, and the rule of law and, in recent years, they have sought and obtained significant political and electoral reforms in pursuit of those objectives;

Whereas the Federal Electoral Institute and its regional councils, now genuinely independent and representative bodies, were responsible for organizing the federal elections on July 2, 2000, in which nearly 1,000,000 citizens participated directly in conducting the balloting for a new president, a new national congress, and state or local officials in Mexico City as well as 10 states;

Whereas the July 2nd elections were observed by approximately 2,500,000 domestic monitors and 850 foreign visitors, including delegations of the United States-based International Republican Institute for International Affairs and the National Democratic Institute;

Whereas in the July 2nd elections, Vicente Fox Quesada of the Alliance for Change (consisting of the National Action Party and the Mexican Green Party) was elected President of the United Mexican States, receiving 42.5 percent of the 37,600,000 votes cast, according to preliminary results released by the Federal Electoral Institute; and

Whereas, according to the Federal Electoral Institute and domestic and international observers, the July 2nd elections were unprecedented in their degree of fairness and transparency, forming the foundation for a genuinely democratic and pluralistic government that represents the will and sovereignty of the people of Mexico: Now, therefore, be it

Resolved,

SECTION 1. CONGRATULATING THE PEOPLE OF MEXICO ON THE OCCASION OF THE DEMOCRATIC ELECTIONS HELD IN MEXICO.

(a) CONGRATULATING THE PEOPLE OF MEXICO.—The Senate, on behalf of the people of the United States, hereby—

(1) congratulates the people of Mexico for their long, courageous, and fruitful struggle for representative democracy and the rule of law;

(2) congratulates Vicente Fox Quesada for his electoral triumph and extends to him genuine best wishes for great success in his formation of a new government; and

(3) congratulates Ernesto Zedillo Ponce de León, current President of the United Mexican States, for his historic commitment to ensure the peaceful and stable transition of power.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States should seek to—

(1) expand and intensify its cooperation with the newly elected Government of Mexico to promote economic development and to reduce poverty to achieve an improved quality of life for citizens of both countries;

(2) confront common threats such as the trafficking in illicit narcotics; and

(3) act in solidarity to actively promote representative democracy and the rule of law throughout the world.

SEC. 2. TRANSMITTAL OF RESOLUTION.

The Secretary of the Senate shall transmit a copy of this resolution to—

(1) Vicente Fox Quesada, President-elect of the United Mexican States;

(2) Luis Felipe Bravo Mena, president of the National Action Party of Mexico;

(3) the International Republican Institute for International Affairs and the National Democratic Institute; and

(4) the Secretary of State with the request that the Secretary further transmit such copy to Ernesto Zedillo Ponce de León, President of the United Mexican States.

GOLD MEDAL TO POPE JOHN PAUL II

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 3544, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3544) to authorize a gold medal to be presented on behalf of the Congress to Pope John Paul II in recognition of his many and enduring contributions to peace and religious understanding, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. ROTH. Mr. President, I ask unanimous consent that the bill be read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 3544) was read the third time and passed.

A GOLD MEDAL TO NANCY AND RONALD REAGAN

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 578, H.R. 3591.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 3591) to provide for the award of a gold medal on behalf of the Congress to former President Ronald Reagan and his wife Nancy Reagan in recognition of their service to the Nation.

There being no objection, the Senate proceeded to consider the bill.

Mr. COVERDELL. Mr. President, tonight, we pass and clear for the President's signature a fitting tribute for a pair of American heroes, the Congressional Gold Medal. I am privileged and deeply honored to have been joined and supported by so many of my colleagues and others in this effort.

In his first inaugural address, President Reagan encouraged a nation by stating, ''Let us begin an era of national renewal. Let us renew our determination, our courage, and our strength. And let us renew our faith and our hope.''

Former President Ronald Reagan spoke these words almost two decades ago at his first inauguration ceremony, inspiring a generation. During his 8 years as President of the United States, Ronald Reagan successfully reshaped America's hope and sparked a national renewal, marked by unprecedented global peace, economic growth, military superiority, and the spread of freedom and liberty.

Serving as the leader of the world's greatest superpower, President Reagan preferred to see himself as a simple citizen who had been called upon to aid the Nation he so loved. He believed fervently in the American dream and wanted the American people to realize it fully.

Through every historic fight and landmark decision, the ever-gracious First Lady, Nancy, was by President Reagan's side. A distinguished leader in her own right, she traveled tirelessly throughout the country promoting her famous ''Just Say No'' campaign. The project is aimed at preventing alcohol and drug use among our youth.

In his tenure, President Reagan restored America's sense of pride and set us squarely on the course of prosperity we still enjoy today. He facilitated the collapse of the Soviet Union that brought an end to the cold war. Who could forget his ringing challenge from Berlin's Bradenburg Gate, ''Mr. Gorbachev, tear down this Wall!'' By 1989, to the amazement of the world, Germany was unified, and the Wall was a memory. Reagan's character, wit, and eloquence as the ''Great Communicator'' brought honor to the Office of the President and endeared him to all Americans and, indeed, all the world.

Former British Prime Minister Margaret Thatcher once commented, ''Not since Lincoln, or Winston Churchill in Britain, has there been a President who has so understood the power of words to uplift and inspire.'' Mr. President, I couldn't agree more.

His one-time rival for superpower dominance, Mikhail Gorbachev, described honoring the Reagans with the Congressional Gold Medal as ''. . . a fitting tribute to the fortieth President of the United States, who will go down in history as a man profoundly dedicated to his people and committed to the values of democracy and freedom.''

Together, the Reagans selflessly dedicated their lives to promoting national pride and bettering the quality of life in America. Together, they continue their battle with Alzheimer's disease, displaying the dignity for which they are famous. Mrs. Reagan remains committed to community service. In his honor, she has become a national advocate for heightening Alzheimer's disease awareness. Their fight inspires hope in millions of Americans who share their struggle.

The leadership and dedication that President and Mrs. Reagan provided this Nation undeniably abides with us still. It is fitting for a grateful people and Nation to say, ''Thank you.''

Mr. ROTH. Mr. President, I ask unanimous consent that the bill be considered read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 3591) was read the third time and passed.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT NOS. 106–35 and 106–36

Mr. ROTH. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaties transmitted to the Senate on July 13, 2000, by the President of the United States: Treaty with Cyprus on Mutual Legal Assistance in Criminal Matters (Treaty Document No. 106–35); and Treaty with South Africa on Mutual Legal Assistance in Criminal Matters (Treaty Document No. 106–36).

I further ask that the treaties be considered as having been read the first time, they be referred with accompanying papers to the Committee on Foreign Relations, and the President's message be printed in the RECORD.

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

The messages of the President are as follow:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of Cyprus on Mutual Legal Assistance in Criminal Matters, signed at Nicosia on December 20, 1999. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activities more effectively. Together with the Extradition Treaty Between the Government of the United States of America and the Government of the Republic of Cyprus, which entered into force September 14, 1999, this Treaty will, upon entry into force, provide an effective tool to assist in the prosecution of a wide variety of offenses, including organized crime, terrorism, drug-trafficking offenses, and other violent crimes as well as money laundering

and other white collar crimes of particular interest to the U.S. law enforcement community. The Treaty is self-executing.

The Treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes taking the testimony or statements of persons; providing documents, records, and other items; locating or identifying persons or items; serving documents; transferring persons in custody for testimony or other purposes; executing searches and seizures; assisting in proceedings related to immobilization and forfeiture of assets, restitution, and collection of fines; and any other form of assistance not prohibited by the laws of the Requested State.

I recommend that the Senate give early favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *July 13, 2000.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty Between the Government of the United States of America and the Government of the Republic of South Africa on Mutual Legal Assistance in Criminal Matters, signed at Washington on September 16, 1999. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activities more effectively. Together with the Extradition Treaty Between the Government of the United States of America and the Government of the Republic of South Africa, also signed September 16, 1999, this Treaty will, upon entry into force, provide an effective tool to assist in the prosecution of a wide variety of offenses, including terrorism, organized crime, drug-trafficking offenses, and other violent crimes as well as money laundering, and other white collar crimes of particular interest to the U.S. law enforcement community. The Treaty is self-executing.

The Treaty provides for a broad range of cooperation in criminal matters. Mutual assistance available under the Treaty includes taking the testimony or statements of persons; providing documents, records and articles of evidence; locating or identifying persons; serving documents; transferring persons in custody for testimony or other purposes; executing requests for searches and seizures; assisting in proceedings related to restraint or immobilization and confiscation or forfeiture of assets or property, compensation or restitution, and recovery or collection of fines; and any other form of assistance not prohibited by the laws of the Requested State.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *July 13, 2000.*

ORDERS FOR FRIDAY, JULY 14, 2000

Mr. ROTH. I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9 a.m. on Friday, July 14. I further ask consent that on Friday, 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 the Senate then resume consideration of H.R. 8, the Death Tax Elimination Act, under the previous order.

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

PROGRAM

Mr. ROTH. For the information of all Senators, at 9 a.m. the Senate will begin the final votes on the death tax elimination bill. Under the order, there will be up to 10 votes on the remaining amendments and final passage.

Following disposition on the death tax legislation, the Senate will begin debate of the reconciliation bill, which includes the marriage tax penalty language. Under a consent agreement reached tonight, there is a finite list of amendments which will be debated throughout the day, tomorrow, and voted on beginning at 6:15 p.m. on Monday, July 17. As a reminder, all votes after the first vote tomorrow morning will be limited to 10 minutes in length.

Mr. FEINGOLD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Wisconsin.

UNANIMOUS CONSENT REQUEST

Mr. FEINGOLD. Mr. President, I would like to ask unanimous consent, in a moment, to modify my amendment, the Feingold amendment to the estate tax bill. When I make this request, the purpose is to address a concern the Senator from Oklahoma raised about unintended implications of the amendment. The amendment was supposed to be a simple amendment having to do with limiting the estate tax exemption of $100 million.

He has raised a legitimate point with regard to an unintended consequence. In the spirit of trying to get to the core of the matter, I ask I be able to modify my amendment. My intent was not to impose an additional capital gains tax on estates of greater than $100 million. My intent was to keep the current law rule that permits a step-up in basis.

I hope the Senator from Oklahoma in good faith will understand that that was our purpose and that the amendment could be offered in that spirit.

Mr. President, I ask unanimous consent, notwithstanding the fact that this is not the pending business, that I be allowed to modify my amendment and to send a modification to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. NICKLES. I object.

Mr. FEINGOLD. Thank you, Mr. President.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROTH. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 10:34 p.m., adjourned until Friday, July 14, 2000, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate July 13, 2000:

FEDERAL LABOR RELATIONS AUTHORITY

BONNIE PROUTY CASTREY, OF CALIFORNIA, TO BE A MEMBER OF THE FEDERAL LABOR RELATIONS AUTHORITY FOR A TERM OF FIVE YEARS EXPIRING JULY 1, 2005, VICE DONALD S. WASSERMAN, TERM EXPIRED.

DEPARTMENT OF TRANSPORTATION

ARTHENIA L. JOYNER, OF FLORIDA, TO BE A MEMBER OF THE FEDERAL AVIATION MANAGEMENT ADVISORY COUNCIL FOR A TERM OF ONE YEAR. (NEW POSITION)

CENTRAL INTELLIGENCE

JOHN E. MCLAUGHLIN, OF PENNSYLVANIA, TO BE DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE, VICE GENERAL JOHN A. GORDON.

DEPARTMENT OF EDUCATION

JUDITH A. WINSTON, OF THE DISTRICT OF COLUMBIA, TO BE UNDER SECRETARY OF EDUCATION, VICE MARSHALL S. SMITH.

EXTENSIONS OF REMARKS

PERSONAL EXPLANATION

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. OWENS. Mr. Speaker, on Tuesday, I was unavoidably absent on a matter of critical importance and missed the following votes.

On the bill, H. Con. Res. 253, expressing the sense of the Congress strongly objecting to any effort to expel the Holy See from the United Nations as a state participant by removing its status as a permanent observer, introduced by the gentleman from New Jersey, Mr. SMITH, I would have voted ''yea.''

On the bill, H.R. 4442, the National Wildlife Refuge System Centennial Act, introduced by the gentleman from New Jersey, Mr. SAXTON, I would have voted ''yea.''

On the bill, H. Res. 415, the sense of the House that there should be a National Ocean Day, introduced by the gentlelady from Hawaii, Mrs. MINK, I would have voted ''yea.''

On the amendment to H.R. 4461, the fiscal year 2001 Agriculture appropriations bill, introduced by the gentleman from Oregon, Mr. DEFAZIO, I would have voted ''yea.''

On the amendment to H.R. 4461, the fiscal year 2001 Agriculture appropriations bill, introduced by the gentleman from South Carolina, Mr. SANFORD, I would have voted ''nay.''

On the amendment to H.R. 4461, the fiscal year 2001 Agriculture appropriations bill, introduced by the gentleman from Indiana, Mr. BURTON, I would have voted ''nay.''

On the amendment to H.R. 4461, the fiscal year 2001 Agriculture appropriations bill, introduced by the gentleman from New Mexico, Mr. SKEEN, I would have voted ''nay.''

TRIBUTE TO ST. MICHAEL'S HOSPITAL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. KUCINICH. Mr. Speaker, on Wednesday, March 29, 2000, a day when the U.S. Congress was in session, I was present on behalf of the people of my district at a federal bankruptcy court in Wilmington, Delaware before federal Judge Mary F. Walrath, to request the Judge's consideration of my constituents' heartfelt plea to help us save our community hospital. What follows is my testimony in open court—a tribute to St. Michael's Hospital.

Your Honor, I thank your Honor for granting me the privilege to humbly approach this court on behalf of the community interests of the 570,000 people of the 10th Congressional district in Cleveland, Ohio, a city which I served as Mayor and now I represent Cleveland in the U.S. Congress. For this matter is literally one of life and death for my constituents because their access to full service health care, emergency care (13,000 cases a year) surgical care and acute medical care is at stake.

St. Michael's Hospital, which was known as St. Alexis Hospital, has been the heart and soul of an old Cleveland neighborhood on the edge of the steel mills for 116 years.

I know the hospital well. I lived in the neighborhood. I worked there 36 years ago as an orderly, then as a surgical technician. I learned long ago about the spirit of this hospital—about its spiritual connection to the community, about how it provides over 400 jobs, and protects neighborhood health and neighborhood commerce. Our community has a lot at stake here.

St. Michael's has provided care, outstanding care for the sick and the elderly, including my own mother and father, and brothers and sisters, and myself.

It provides care for the poor, the indigent, for people who do not own cars, for people who are dependent on mass transit, for a large elderly population who wait patiently each month for their social security checks.

St. Michael's staff is totally dedicated. Some of its doctors still do house calls. St. Michael's has saved the lives, and prolonged the quality of life of so many people who I know and love and the lives of loved ones of many people here in this courtroom.

St. Michael's gives people hope. It has demonstrated true charity. The people from my district who have traveled here by bus including City Council representatives, are now obligated by the

Today, when I walk the streets of St. Michael's neighborhoods, I see poverty reflected on people's faces, in the walk, in their clothes. I know the people well, because this is where I come from. This is my home. This is my heart.

I know that for many people in the community this hospital is the only institution in the neighborhood which enables the people to rescue some quality from a hard life.

And that is why I am here on a day when the U.S. House of Representatives is in session—because I can and do speak on behalf of 570,000 people and say that we plead for the wisdom and mercy of this honorable court, in considering the interests of the community. We respect that this honorable court cannot solve all the problems which beset the American health care system—indeed that is work for the institution I am honored to serve, but the court can help give the hospitals a fighting chance to survive, and in the process give the humble people of our community one last chance for the hospital to be saved. I ask your honor to please take notice of the fact that:

On the same day that PHS and Cleveland Clinic privately applied to the Federal Trade Commission for Hart-Scott-Rodino (antitrust) approval for the asset purchase agreement to close St. Michael's and Mt. Sinai East—on that same day, PHS publicly announced its intention to keep St. Michael's and Mt. Sinai East open, not withstanding the closure of Mt. Sinai University Circle.

Your honor, the people who I represent are humble people, many minorities, many from immigrant families. They take things at face value. They have trouble understanding people who say one thing and do another. They have faith in people, in one another, and in this court.

The truth is that notwithstanding the three year agreement which PHS and Cleveland Clinic made with the Mayor of Cleveland at St. Michael's:

The adolescent ward was closed in the past three weeks;

The detox unit was closed;

The ambulance service has been stopped;

The elective services have been stopped;

That today the cardiac rehab unit is being closed;

That women's center patients have to find other physicians. PHS did this without the physicians' knowing;

That one physician's patients received letters ''to get another physician''—even though PHS never notified the physician;

All this has hurt our community. But St. Michael's Hospital lives. It lives despite PHS billing hospitals for a computer system which still does not work and PHS paying multi-million dollar consultant fees that in and of themselves would cover any deficits which may exist at St.

We cannot expect this honorable court to solve the health care problems of America—but it is a fact that on the entire east side of Cleveland, as a result of the closing of Mt. Sinai, University Circle; no level-one trauma center is available. And throughout this process of closing hospitals the community; doctors, nurses and Cleveland City Council were not included in any talks. It is no wonder that the Council voted 18–0 to formally oppose the sale and closure of St. Michael's.

Your honor, I want the court to know that I am sensitive to PHS's position as a debtor in Bankruptcy proceedings and understand that PHS must sell these hospitals. But it seems, that to PHS, St. Michael's and Mt. Sinai are simply assets to be unloaded, worth more to them closed than open. But to the people in my district and in neighboring districts, these represent community resources and access to health care.

To Cleveland Clinic, St. Michael's and Mt. Sinai East represent competition to be snuffed out. That is why Cleveland clinic agreed to purchase these hospitals only under the condition that PHS close them prior to purchase. That's a cold and heartless decision to we who are committed to providing access to health care for Cleveland area residents. It is cruel and it is inexplicable that St. Michael's, which provides 20 percent of its care to indigent and Medicaid patients must close to make way for the sprawling Cleveland Clinic which provides only 2.3 percent of its care to charity patients.

What makes it even harder to comprehend is that the asset purchase agreement freezes out willing bidders, those who would keep the hospitals open. Those who would keep St. Michael's doing what it has always done for 116 years, protecting the people's health care needs. That's all the people I represent want—to keep hospitals open, to keep access to health care.

I join with the objectors to the Asset Purchase Agreement in the request that this

honorable court set aside the agreement for a closed sale and open the bidding to provide a clear, honest opportunity for our community hospitals to stay open. Thank you, your honor.

RECOGNIZING MARION SHROYER

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SHIMKUS. Mr. Speaker, today I recognize Ms. Marion Shroyer of Vandalia, Illinois for all her outstanding contributions towards her community.

Marion has received several awards for her outstanding public service. She has received the ''Abe Award,'' which is presented to a person for their outstanding contributions to their community. A tree was planted, in her honor, on the lawn of the Old State Capitol of Illinois for her outstanding citizenship.

She is an active leader in her church and dedicates much of her time to helping the elderly by taking them to the hospital and visiting with them in the nursing homes. Marion is an active leader in the Schoroptomist Club and has been a Real Estate Broker for over 20 years. She is a mother of two, a grandmother of six, a great grandmother of three and a role model for us all.

I want to applaud Marion for all her years of service to the great townspeople of Vandalia. For all you have done and continue to do, I thank you.

RECOGNIZING DR. EDISON O. JACKSON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. TOWNS. Mr. Speaker, I rise today to recognize Dr. Edison O. Jackson, President of the Medgar Evers College of the City University of New York. Dr. Jackson, a resident of Prospect Heights, Brooklyn, and a member of the Ministerial staff of Bridge Street A.M.E. Church, is a outstanding citizen and a pillar of our community.

Born in Heathsville, Virginia, Dr. Jackson received a B.S. in Zoology, followed by a Master of Arts Degree in Counseling from Howard University. He began his career in education in the field of counseling, where he served for almost four years. In 1969, he was named Dean of Student Affairs at Essex County College in New Jersey, where he distinguished himself to the point that he was promoted to the position of Vice President of Student Affairs. In 1983, Dr. Edison was named Executive Vice President and Chief Academic Officer at Essex County College. In that same year, he received a Doctorate in Education from Rutgers University with academic emphasis on philosophy, function, role and administration of urban educational institutions. During these many years, Dr. Edison achieved numerous remarkable accomplishments so, when he accepted the position of President of Medgar Evers College in 1989, he brought with him a wealth of experience and knowledge in administering the affairs of educational institutions.

Dr. Jackson currently holds memberships on a number of civic, educational and community organizations. His affiliations with professional and national organizations run the gamut from the American Association of Higher Education, to the President's Round Table and the National Council on Crime and Delinquency. Dr. Jackson has also written extensively on issues of concern to educators, with particular concentration on minority students and the community, academic preparation and student performance.

Finally, Mr. Speaker, I want to note that Dr. Jackson is married to Florence E. Jackson, and is the proud father of two children: Eulaynea and Terrance. Mr. Speaker, I ask you and all of my colleagues to join me in recognizing the lifelong efforts of Dr. Edison O. Jackson, and wish him continued success in his future endeavors.

PERSONAL EXPLANATION

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. OWENS. Mr. Speaker, on Monday, I was unavoidably absent on a matter of critical importance and missed the following votes:

On the first amendment to H.R. 4461, the fiscal year 2001 agriculture appropriations bill, introduced by the gentleman from Oklahoma, Mr. COBURN, I would have voted ''nay.''

On the first amendment to H.R. 4461, the fiscal year 2001 agriculture appropriations bill, introduced by the gentleman from California, Mr. ROYCE, I would have voted ''nay.''

On the amendment to H.R. 4461, the fiscal year 2001 agriculture appropriations bill, introduced by the gentleman from New York, Mr. CROWLEY, I would have voted ''yea.''

On the second amendment to H.R. 4461, the fiscal year 2001 agriculture appropriations bill, introduced by the gentleman from California, Mr. ROYCE, I would have voted ''nay.''

On the second amendment to H.R. 4461, the fiscal year 2001 agriculture appropriations bill, introduced by the gentleman from Oklahoma, Mr. COBURN, I would have voted ''yea.''

On the amendment to H.R. 4461, the fiscal year 2001 agriculture appropriations bill, introduced by the gentleman from South Carolina, Mr. SANFORD, I would have voted ''nay.''

IN CELEBRATION OF THE TENTH ANNIVERSARY OF THE AMERICANS WITH DISABILITIES ACT

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. KUCINICH. Mr. Speaker, I rise today to spread the word. I spread the word of the many thousands of successful people with disabilities who have benefitted from the Americans with Disabilities Act (ADA), and I ask my colleagues to join me in celebrating the tenth anniversary of this historic legislation.

On July 26, 1990, the Americans with Disabilities Act was signed into law. The nation's handicapped community was presented with perhaps their most important legislation in the history of the United States. With the signing of this bill, handicapped individuals were given the opportunity and the access to have their incredible potential recognized. For ten years now, the ADA has extended the American dream to millions of Americans with disabilities. With this act, America has become a better nation.

Paying tribute to this momentous event, I commemorate the Disability Coalition Movement of Cleveland in creating ''ADA Day—A Celebration''. In sponsoring this event, the communities of Northeast Ohio are recognizing the previous accomplishments of the ADA, and envisioning the future success that will inevitably come. By bringing together area disabled and non-disabled for a celebration, ADA Day will further encourage a dialogue of anti-discrimination. ADA Day will continue to spread the word for all to hear.

Throughout my district and throughout our nation, handicapped individuals have impacted their neighborhoods. A message of awareness and understanding has been spread, and this message must only get louder.

The tenth anniversary of the Americans with Disability Act is a time commemorating handicapped people and applauding events like ADA Day—A Celebration. My fellow colleagues, please join me in spreading this important word.

HONORING DR. ANTANAS RAZMA

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SHIMKUS. Mr. Speaker, today I commend Dr. Antanas Razma, this year's recipient of the Balzekas Museum of Lithuanian Culture Man of the Year Award. This award is given to outstanding individuals who have contributed so much towards the advancement of their fellow man.

Dr. Razma is being honored for his dedication to Lithuania and for establishing the Lithuanian Foundation. As co-chairman of the House of Representatives Baltic Caucus, I want to congratulate and thank him for all that he has done and will continue to do for the people of Lithuania.

WE NEED JUSTICE IN THE DISTRIBUTION OF THE SURPLUS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. OWENS. Mr. Speaker, today's New York Times reports that Democrats are showing greater interest in tax cuts. On the floor of

this House at the beginning of this year I said that a tax cut was inevitable in this election year. Those of us who represent the ''Caring Majority'' must make certain that this coming tax cut benefits those most in need of relief. We must start with a cut in the payroll taxes. And beyond tax cuts we must spread the benefits of our blessed surplus to those in greatest need. We need more housing; we need prescription drug benefits. We need to invest heavily in education to guarantee American prosperity for the future. The following ''Chant'' sums up my position on this pivotal national decision.

CHANT FOR SURPLUS JUSTICE

People in need
Have no fear,
Budget surplus facts prove
There's 200 Billion this year;

People in need
Challenge what you hear,
The Nation needs your votes
And your voices loud and clear;

Read our lips,
The B word is Billion,
In ten years racing
All the way to three Trillion;

People in need
Have no fear
Both Compassionate Conservatives
And Democratic Idealists
Have rhetoric running full gear:
Prescription medicare benefits,
Phased family health care
The fantasy finished New Deal
Was never so near;

People in need
Challenge What you hear,
More than rich tax cuts
Must be spread on the table;

Deficit paralysis
Is a rotting fable—
End U.S. Gulag incarceration
Demand ten percent of leftovers
to revamp education,
Build houses for seniors
And families with low incomes,
Round out the rhetoric,
Allocate desperately needed sums;

Not a single hungry child should cry,
For lack of a pill
No elderly mother should die;

People in Need
Challenge what you hear,
The Nation needs your votes—
And your voices loud and clear.

INTRODUCTION OF RECOGNITION OF THE KING SALMON TRADITIONAL VILLAGE AND THE SHOONAQ' TRIBE OF KODIAK

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased to introduce legislation which will provide for the recognition of the King Salmon Traditional Village and the Shoonaq' Tribe of Kodiak, Alaska. For the past twenty years these two villages have worked with the Bureau of Indian Affairs and the Department of the Interior to seek tribal recognition. They have gone through the process at the Department of the Interior and it is now time to grant them recognition.

I have two other villages going through the recognition process at the Department of the Interior, and if at time of mark-up of this bill they have addressed the concerns of the Department, we may include the two other villages from Alaska in this bill.

ATROCITIES AGAINST CHRISTIANS IN INDIA

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. TOWNS. Mr. Speaker, recently a list was published of atrocities against Christians in India from January to May of this year. It listed 38 specific incidents just in a period of five months. This should indicate the depth of India's religious terrorism against Christians.

On July 8 and 9, two more churches were bombed. The pattern of Indian terrorism against its minorities continues.

It is not just the Christians who are being attacked. In March, the Indian government massacred 35 Sikhs in the village of Chithi Singhpora. This was confirmed by two separate investigations. Some of our colleagues may deny it, but the evidence is clear. This, too, is part of the Indian government's pattern of repression.

This pattern of repression and terrorism must be stopped. The U.S. Congress must take strong action. We should cut off aid to India until this terrorism stops. India should be declared a terrorist nation, as 21 of us recently urged the President to do. And Congress should support self-determination for the people of Khalistan, Kashmir, Nagaland, and all the minority nations seeking their freedom from India. Self-determination is the cornerstone of democracy.

Mr. Speaker, I submit the atrocity list I mentioned earlier into the RECORD for the information of my colleagues.

ATTACKS ON CHRISTIANS (JANUARY–MAY 2000)

[Sources: the Indian Currents, 21 May, 2000]

S. No.	Date	Place/State	Description
1	January	Philliaur, Punjab	Sts. Peter and Paul Church robbed.
2	January	Philliaur, Punjab	St. Joseph's Convent robbed.
3	Jan. 3	Gajapati, Orissa	17, Dalit Christian house torched, 12 killed.
4	Jan. 9	Panipat, Haryana	Fr. Vikas of St. Mary's Church attacked.
5	Feb. 4	Rajgarh, MP	Hostel forced to closed down.
6	Feb. 20	Pudiyattuvil, Kerala	Statues of Mary destroy.
7	Feb. 20	Sevit, Gujarat	Protestant Church damaged.
8	March 6	Mysore, Karnataka	BD threatens Bishop Roy to install Hindu statue in Churches.
9	March 8	Basara, Panipat, Haryana	Isa Mata Church attacked.
10	March 12	Panipat, Haryana	St. Mary's Church attacked.
11	March 12	Suryanagar. UP	Media Computer Centre robbed.
12	March 17	Changanacherry, Kerala	St. Berchman's College Chapel desecrated, robbed.
13	March 31	Agra UP	Police lock up two priests without charge.
14	March 31	Bulandshaher, UP	Nirmala School
15	March 31	Dasna, Masuri, UP	Fr. S. George, Christ Vihar School attacked robbed.
16	April 3	Panaji, Goa	Priest and 21 Catholics wounded by police.
17	April 5	Barwatoli, Bihar	5 Oraon Catholic tribals kidnapped, 2 killed.
18	April 6	Mathura, UP	Sacred Heart School Principal Sr. Maria Pereira attacked.
19	April 7	Belatanr, Giridih Bihar	Holy Cross Convent watchman shot dead.
20	April 9	Bettiah, Bihar	Jesuit Social Centre (READ) stoned.
21	April 10	Mathura Cantt, UP	Fr. Joseph Dabre, St. Dominic School attacked.
22	April 11	Kosikalan, Haryana	Fr. K.K. Thomas and maid beaten up, house looted.
23	April 11	Kosikalan Haryana	St. Teresa's School looted, Srs. Mary and Gloria beaten.
24	April 14	Khagaria Bihar	50 Christians in Charismatic prayer attacked.
25	April 15	Timerpur, Bijnor, UP	Convent, three Catholic homes attacked.
26	April 16	Babupet, Chanda	Maharashtra Convent tabernacle robbed.
27	April 21	Agra, UP	Bajrang Dal attack 14 neo Christians.
28	April 22	Rajabari, Assam	Priest and 2 brothers seriously beaten in Church robbery.
29	April 22	Rewari, Haryana	Two nuns attacked, hit by scooter.
30	May 3	Paricha Jhansi, UP	Chapel desecrated, nuns attacked, robbed.
31	May 3	Dangs, Gujarat	13 Evangelist arrested for holding prayer.
32	May 4	Patna, Bihar	St. Xavier's School principal Fr. A.B. Peter Sj accused of sodomy.
33	May 5	Anabha, Gujarat	8 Protestant missionaries attacked with swords, Bibles burnt.
34	May 5	Bhojpur, Bihar	Mary's statue smashed.
35	May	Uchhal Taluka, Gujarat	Rev. Jhalam Singh attacked, Church damaged.
36	May 9	Nashik, Maharashtra	Protestant Shelter School for Tribal girls attacked.
37	May 11	Indore, MP	Fire bomb thrown at Dialogue Centre, 3 churches attacked.
38	May 11	Anekal, Karnataka	Anthony Selva, Jesuit student stabbed.

NATIONAL WILDLIFE REFUGE SYSTEM CENTENNIAL ACT

SPEECH OF

HON. BARON P. HILL

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 10, 2000

Mr. HILL of Indiana. Madam Speaker, I rise in support of H.R. 4442, the National Wildlife Refuge System Centennial Act. H.R. 4442 would establish a commission to promote awareness of the National Wildlife Refuge System among the American public as the System celebrates its centennial anniversary in 2003.

For many years, my family and I have enjoyed hiking at the Muscatatuck National Wildlife Refuge near my home in Seymour, Indiana. And now a major new refuge has been established on Army property at the former Jefferson Proving Ground.

Just last weekend, I attended the dedication of the Big Oaks National Wildlife Refuge at the former military facility. The new refuge encompasses more than 50,000 acres of grasslands, woodlands and forests and is home to white-tailed deer, wild turkey, river otters and coyotes. The refuge also provides managed habitat for 40 species of fish, 120 species of breeding birds, and the federally endangered Indiana bat. The Indiana Department of Natural Resources has identified 46 rare species of plants on the site.

Mr. Speaker, the Big Oaks National Wildlife Refuge is the latest addition to more than 500 national wildlife refuges managed by the U.S. Fish and Wildlife Service. I urge all Americans to come and enjoy the beauty and recreation opportunities at Big Oaks. And while they are in the area, they should also spend some time at the Muscatatuck refuge.

These and many other refuges are often the best kept secrets in town. H.R. 4442 rightly commemorates the centennial of the refuge system and will help make Americans more aware of the tremendous assets available to them through the National Wildlife Refuge System.

SUPPORT OF THE WINDOWS AND GLAZING PROGRAM

HON. JIM DAVIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. DAVIS of Florida. Mr. Speaker, I rise today in support of the windows and glazing program, which is funded through the Building Technology Category. This program provides funding for a promising new technology with enormous energy saving potential for the commercial windows market. This program would allow the further development of plasma enhanced chemical vapor deposition (PECVD) techniques for electrochromic technologies. This technology provides a flexible means of controlling the amount of heat and light that pass through a glass surface providing significant energy conservation opportunities. The Department of Energy estimates that placing this technology on all commercial building windows in the United States would produce yearly energy savings equivalent to the amount of oil that passes through the Alaskan pipeline each year.

In recognition of the importance of this technology, the State of Florida has provided $1.6 million toward the advancement of this program, and has allocated an additional $720,000 in the State of Florida Fiscal Year 2001 budget. The program is being undertaken in conjunction with the University of South Florida and utilizes the expertise and patented technology of the National Renewable Energy Laboratory in Colorado. The State of Florida's program has made significant progress toward making electrochromic windows a reality. This program is an excellent example of successful technology transfer from a national laboratory as well as an example of a successful public/private relationship.

The Florida program is consistent with industry priorities and goals of the Department of Energy's windows program. I believe this program only helps strengthen our conservation programs. I encourage my colleagues to support this important program.

RECOGNIZING THE 20TH ANNIVERSARY WORLD CONGRESS

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. MORAN of Virginia. Mr. Speaker, I would like to take this opportunity to recognize the 20th Anniversary World Congress, which is organized by the Czechoslovak Society of Arts and Sciences (SVU), under the auspices of the Czech and Slovak Embassies and in close cooperation with American University, scheduled for August 9–13, 2000, in Washington, D.C.

The central theme for this World Congress is: "Civil Society and Democracy into the New Millennium." It will feature speakers from both sides of the Atlantic and it promises to be the pivotal event of the year 2000 for those interested in things Czech or Slovak.

The three day program at American University will comprise numerous discussion panels and symposia, covering practically every aspect of human endeavor from the arts and humanities to social and behavioral sciences, and science and technology.

I am indeed proud to salute the efforts of the organizers and particularly would like to commend the efforts of Mr. Eugene L. Krizek, a resident of my congressional district, for his generous and untiring efforts on behalf of this project.

TRIBUTE TO THE LATE RUTH FIRSCHEIN

HON. JOE BACA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. BACA. Mr. Speaker, I request that the Congress reflect on the memory of Ruth Firschein, of Palo Alto, California, who passed away this week.

Known by her family simply as "Grandma Ruth," Ruth spanned nearly a century during her remarkable life.

Born in a village in Eastern Europe, Ruth immigrated to the United States as a young woman. She followed the classic path of many immigrants, landing in New York City, working hard to make a living in a new country, marrying, raising children, and assisting with the operation of a small family printing business, Firschein Press.

Although circumstances did not permit her to complete more than a grade school education, she took her children to the New York City Public Library, and taught them that books and knowledge are the key to understanding and success. The Firschein apartment was filled with books and artwork, radios and science experiments.

People who met Ruth were impressed by her intelligence, wit, charm, and leadership qualities. She served as an officer in a number of synagogue and charitable groups, freely giving of her time, and expressing her views enthusiastically, without hesitation or reservation.

Ruth witnessed much during her long life. She liked to tell about the time cossacks occupied her village and had a saber fight in the kitchen of her family's home. One of the swords accidentally struck her. Years later, she would point to the small scar and tell of the soldiers' remorse. One of them told her he had a little girl just like her at home.

Ruth was a link between the past and the present. She witnessed the birth of airplanes, televisions, computers and rockets. She watched as new waves of immigrants came to this country, retracing her life and her steps. In her later years, she would sit with new Russian immigrants, listening to their stories, and trading her own. She was a natural storyteller, and we are fortunate that a number of her stories have been recorded on tape.

Ruth leaves behind three children and several grandchildren. They remember her legacy of love for the world. She will be missed.

HONORING THE ARRIVAL OF THE "AMISTAD" TO ITS HOME PORT OF NEW HAVEN, CONNECTICUT

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Ms. DELAURO. Mr. Speaker: It is with great pride that I rise today to join the thousands gathered in New Haven, Connecticut to welcome the *Amistad* to its home port, commemorating the story of Sengbe Pieh and the Mendians kidnaped from what is now Sierra Leone, Africa. The *Amistad* replica will bring to life the legendary events of 1839 so that generations of children and adults will understand and share the slaves' courageous rebellion aboard ship, their difficult imprisonment, and their final vindication by the United States Supreme Court.

At a time of great division in our society, many New Haven residents played a key role

in aiding Sengbe Pieh and the Mendians in what became a two-year legal and political battle for their freedom. Pastor Simeon Jocelyn, Lewis Tappan, and the congregations of the United Church on the Green and Dixwell United Church of Christ established the *Amistad* Committee whose mission was to provide for the Mendians' basic needs. They gathered food and clothing, and arranged for students from the Yale Divinity School to teach the Mendians English so that they were able to communicate their story to their defenders. Roger Sherman Baldwin, a New Haven attorney who later enlisted the aid of former President John Quincy Adams, volunteered to defend the captives. Today, a statue of Sengbe Pieh stands proudly near the site where he and the other Mendians of the *Amistad* were first imprisoned. New Haven is proud of the role it played in this crucial moment in the ongoing struggle for human rights and racial harmony. We are honored to have the *Amistad* with us today.

There are so many wonderful people that have committed themselves to this project—their hard work and dedication to this cause has made this day possible. My sincere thanks and appreciation to former Connecticut Governor Lowell Weicker, responsible for securing the initial state funding and support for the project; Al Marder and the *Amistad* Committee, which recreated the original committee that first came to the defense of the *Amistad* slaves; the Connecticut African American Historical Society, whose work with the *Amistad* Committee and Governor Weicker established *Amistad* America; *Amistad* America, a nonprofit educational corporation that worked with Mystic Seaport to build the replica and will continue to operate the ship; and the students and faculty of the Sound School in New Haven, who crafted a lifeboat, named Margru after one of the four children aboard *Amistad*, that will now be carried on the *Amistad* replica. The participation and diligent efforts of all these groups and talented individuals have produced a tremendous contribution to the history of Connecticut and the United States.

As we reflect on the 161 years of history that has passed since the original *Amistad* landed on our shores, it is important to remind ourselves that this continues to be an unfinished journey. In the United States, we tore our nation apart in violence before we put an end to the institution that brought Sengbe Pieh to these shores. In Sierra Leone, it would be more than a century after their native sons and daughters left their shores before they would be able to claim the right to truly govern themselves. Today, we watch as the United Nations and Sierra Leone's African neighbors help in its struggle for peace. If the history of the United States and Sierra Leone have taught us anything, it is that our journey towards peace, justice, and freedom has not yet ended.

Whether at sea or in port, the *Amistad* will carry this message to all who will hear it. A reminder of an extraordinary moment in our history, I applaud the inspired dedication that the New Haven community has shown for this project. It is with great pleasure that I stand and add my voice to all of those who have gathered today to welcome the *Amistad* home.

TRIBUTE TO THE 11TH GREAT DOMINICAN PARADE AND CARNIVAL OF THE BRONX

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SERRANO. Mr. Speaker, once again it is an honor for me to recognize the Great Dominican Parade and Festival of the Bronx on its eleventh year of celebrating Dominican culture in my South Bronx Congressional District. This year's festivities will take place on July 16, 2000.

Under its Founder and President, Felipe Febles, the parade has grown in size and splendor. It now brings together an increasing number of participants from all five New York City boroughs and beyond.

On Sunday July 16, thousands of members and friends of the Dominican community will march from Mt. Eden and 172nd Street to East 161st Street and the Grand Concourse in honor of Juan Pablo Duarte, the father of the independence of the Dominican Republic.

As one who has participated in the parade in the past, I can attest that the excitement it generates brings the entire City together. It is a celebration and an affirmation of life. It feels wonderful to enable so many people to have this experience—one that will change the lives of many of them. It is an honor for me to join once again the hundreds of joyful people who will march from Mt. Eden and 172nd Street to East 161st Street, and to savor the variety of their celebrations. There's no better way to see our Bronx community.

The event will feature a wide variety of entertainment for all age groups. This year's festival includes the performance of Merengue and Salsa bands, crafts exhibitions, and food typical of the Dominican Republic.

In addition to the parade, President Febles and many organizers have provided the community with nearly two weeks of activities to commemorate the contributions of the Dominican community, its culture and history.

Mr. Speaker, it is with enthusiasm that I ask my colleagues to join me in paying tribute to this wonderful celebration of Dominican culture, which has brought much pride to the Bronx community.

REPUBLIC OF TURKEY'S CONTRIBUTION TO THE KOREAN WAR

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. KING. Mr. Speaker, I rise today to recognize not only the importance of our strategic relationship with the Republic of Turkey but their historic contribution in the Korean War. Almost 50 years ago, in October of 1950, the Turkish brigade consisting of 4,500 army troops arrived in Korea. By the time Turkey had completed its commitment, 29,882 were rotated through the brigade, 717 were killed in action, and 2246 were wounded. These figures, the highest casualty rate of the United Nations mission, demonstrated that Turkey's reputation was well deserved.

The Turkish brigade's courage and contributions were repeatedly highlighted in the press at the time. For example, the battle of Kunuri was detailed in a TIME magazine article which stated "The courageous battles of the Turkish Brigade have created a favorable effect on the whole United Nations Forces." Their courage was also referenced on Capitol Hill, with former Representative Claude Pepper opining that, "There is no one left who does not know that the Turks, our valuable allies, are hard warriors and that they have accomplished very great at the front."

Having become a member of NATO in 1952, Turkey also demonstrated its indisputable role in European security. Among all NATO allies, Turkey defended the longest border with the former Soviet Union, and carried a heavy responsibility in helping to contain, and ultimately defeat communism.

After the end of the Cold War, Turkey seized the opportunity to help shape the peace in the region. One of the first countries to recognize the independence of new emerging democracies, Turkey actively sought to assist with their efforts to integrate into the international community. Turkey provided them with direct assistance in credit and goods, military cooperation agreements to assist in building their national defense structure, scholarships for students to study in Turkish universities, offering an alternate route for transportation and communication facilities, and legal technical assistance and know how.

Turkey remains at the center of our energy security policy to develop the "east-west" access for the transport of both oil and natural gas from the Caspian region. This strategy would further shore up the economies of the countries involved, and encourage the development of democracy in the region.

At the time of the Korean War, most strategic thinkers would probably have envisioned Turkey as playing an important role in the future of European security, but the scope and breadth of the relationship which developed has most likely surpassed even the greatest expectations. Our relationship with Turkey has developed into a strategic one which we should continue to develop and nurture.

AIMEE'S LAW

SPEECH OF

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 2000

Mr. WELLER. Mr. Speaker, I rise today in support of H.R. 894, the No Second Chances for Murderers, Rapists, or Child Molesters Act (Aimee's Law).

Each year more than 14,000 murders, rapes, and sexual assaults are committed by previously convicted murderers and sex offenders. While the United States has been moving towards lengthy mandatory sentences for a number of crimes, sentences for murder, child molestation and rape often fall short.

Aimee's Law would add accountability to the existing formula for distributing federal crime

funds to states that convict a murderer, rapist, or child molester, if that criminal had previously been convicted of the same crime in a different state. The cost of prosecuting and incarcerating the criminal would be deducted from the federal crime funds intended to go to the state where a criminal previously committed one of these horrible crimes, and instead be sent to the state that is forced to prosecute the same criminal, for the same crime, against another innocent victim.

Tragedies like this are happening all across America, including in my home state. This type of tragedy struck close to home when a child in my District was molested and murdered by a repeat offender. Every day that we wait to pass this bill we put another innocent person at risk of being harmed.

I urge my colleagues to support this common-sense legislation.

TRIBUTE TO BASIC HIGH SCHOOL STUDENTS

HON. SHELLEY BERKLEY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Ms. BERKLEY. Mr. Speaker, I would like to take a moment to recognize a group of students and their teacher for their outstanding achievement and their remarkable understanding of the fundamental ideals and values of American constitutional government.

The students from Basic High School in Henderson, Nevada, were recognized for their expertise on the topic, ''What Rights Does the Bill of Rights Protect?'' at the We the People . . . the Citizen and the Constitution national finals held in Washington, D.C. The outstanding young people competed against 50 other classes across the nation and demonstrated their ability to understand and articulate the individual liberties granted by the Bill of Rights.

Additionally, the Basic High School students worked as a team to exemplify the ideals our nation was founded on. Their dedication, hard work, and unity truly embodied the three simple words in the preamble of our Constitution: ''We the people.''

The Constitution of the United States is the oldest working document in our nation's history, and thus the wisdom we have inherited is invaluable. As these students continue to carry out those values, we can be assured that our country will continue to strengthen and prosper. They will be ready to face the challenges of tomorrow and be leaders of our community.

The students who participated in the event are: Kate Bair, Joshua Bitsko, Ryan Black, Daniel Croy, Scott Devoge, Danielle Dodgen, Courtney England, Starlyn Hackney, Jill Hales, Alia Holm, Janae Jeffrey, Ryan Johnson, Aimee Lucero, Nathan Lund, Jessica Magro, Jasmine Miller, Holli Mitchell, Gary Nelson, Krystaly Nielsen, Mark Niewinski, Amanda Reed, Jeni Riddle, Leslie Roland, Landin Ryan, Alena Sivertson, Ashley Stolworthy, Tarah Strohm, Tyler Watson, Kara Williams, Ricky Zeedyk. Other individuals who should be recognized for their love and dedication for the students are their teacher, John Wallace; State Coordinator, Judith Simpson; and District Coordinator, Debbie Berger.

I thank their teachers and their parents for investing and sacrificing for the future of America. And once again, I congratulate these students for their accomplishment, and wish them every success in future endeavors.

TENTH ANNIVERSARY OF UKRAINE'S SOVEREIGNTY DECLARATION

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SMITH of New Jersey. Mr. Speaker, ten years ago, on July 16th 1990, the Supreme Soviet (parliament) of the Ukrainian S.S.R. adopted a far-reaching Declaration on State Sovereignty of Ukraine. The overwhelming vote of 355 for and four against was a critical and demonstrative step towards independence, as Ukraine was at that time a republic of the Soviet Union.

The Declaration, inspired by the democratic movement Rukh whose key members were veterans of the Helsinki movement seeking greater rights and freedoms, proclaimed Ukraine's state sovereignty and stressed the Republic's intention of controlling its own affairs. Ukraine and its people were identified as the sole source of state authority in the republic, and they alone were to determine their own destiny. The Declaration asserted the primacy of Ukraine's legislation over Soviet laws and established the right of Ukraine to create its own currency and national bank, raise its own army, maintain relations with foreign countries, collect tariffs, and erect borders. Through this Declaration, Ukraine announced its intention not to use, possess, or acquire nuclear weapons. Going beyond Soviet leader Gorbachev's vision of a ''renewed'' Soviet federation, the Declaration asserted Ukraine's sovereignty vis-a-vis Moscow, a move that only a few years earlier would have been met with the harshest of sanctions.

The Declaration's assurances on the protection of individual rights and freedoms for all of the people of Ukraine, including national and religious minorities, were extremely important and viewed as an integral aspect of the building of a sovereign Ukraine. The Declaration itself was the outcome of emerging democratic processes in Ukraine. Elections to the Ukrainian Supreme Soviet—the first in which non-communists were permitted on the ballot—had been held only a few months earlier, in March 1990; one-third of the new members elected were representatives of the democratic opposition. Even the Communist majority voted for the Declaration, reflecting the reality that the Soviet Empire was steadily unraveling. A year later, on August 24, 1991, the same Ukrainian parliament declared Ukraine's independence, and in December of that year, on the heels of a referendum in Ukraine in which over 90 percent voted for independence, the Soviet Union ceased to exist.

Mr. Speaker, since the adoption of the Declaration ten years ago Ukraine has witnessed momentous transformations. Independent Ukraine has developed from what was, for all practical purposes, a colony of the Soviet empire into a viable, peaceful state with a commitment to ensuring democracy and prosperity for its citizens. It has emerged as a responsible and constructive actor in the international arena which enjoys good relations with all its neighbors and a strategic partnership with the United States. Obviously, the heavy legacy of communism and Soviet misrule has not yet disappeared, as illustrated by stifling corruption, and inadequate progress in rule of law and economic reforms. However, the defeat of the communists in last November's presidential elections, and the appointment of genuinely reformist Prime Minister Viktor Yushchenko have given grounds for renewed optimism, which is supported by evidence of growth in some sectors of the economy.

Mr. Speaker, now is the time for the Ukrainian people to strengthen and ensure independence by redoubling their efforts to build democracy and a market economy, thereby keeping faith with the ideals and goals of the historic 1990 Declaration on Sovereignty.

A SALUTE TO COL. ALTHEA WILLIAMS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SCHAFFER. Mr. Speaker, I rise today to honor Col. Althea Williams for her outstanding service to our country as an accomplished nurse for the US Army.

Her dedication to the Nurse Corps spanned three major wars following her graduation in 1941 from the Beth-11 School of Nursing in Colorado Springs, Colorado. In World War II, she primarily served in the Southwest Pacific area, in addition to Australia, New Guinea, Netherlands, East Indies and the Philippines.

Later in the Korean War, Williams served in Japan with the 279th General Hospital. Finally, during the Vietnam War, she served with the 44th Medical Brigade. As a result of her dedication and outstanding abilities, she was awarded with the Legion of Merit with an Oak Leaf Cluster.

Col. Williams exemplified outstanding service in other assignments including Chief Nurse at Valley Forge General Hospital, Phoenixville, Pennsylvania; Chief Nurse of First US Army, Governor's Island, New York; Chief Nurse at Madigan General Hospital, Tacoma, Washington and the 44th Medical Brigade. Furthermore, Williams served as Chief Nurse at the Headquarters of the Sixth US Army at the Presidio of San Francisco.

Throughout her years of patriotic devotion, this Platteville, Colorado native also achieved several other degrees. Initially, from the Colorado State University she graduated with a Bachelors degree in Home Economics in 1948 and soon thereafter another Bachelors in Occupational Therapy. Notably, in 1970 she received the ''Honor Alumni'' award from CSU. Finally, in 1960 she graduated from Baylor University with a Masters in Hospital Administration.

Since Retirement in 1970, working as a representative of the USO and volunteering around Ft. Collins, Colorado has occupied Col. Williams, which further exemplifies her commitment to service.

Mr. Speaker, on behalf of the United States Congress I hereby thank and salute Col. Althea Williams for her steadfast dedication to the US Army Nurse Corps and for her leadership for our beloved country. On her 80th birthday, may she enjoy the bountiful Liberty with which God has so richly blessed the United States of America, and which Col. Williams has herself so completely and patriotically preserved for all posterity.

TRIBUTE TO FABIUS-POMPEY HIGH SCHOOL'S MENS VARSITY BASEBALL TEAM

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. WALSH. Mr. Speaker, on Saturday, June 24, 2000, the Fabius-Pompey Falcons defeated Haldane to win the New York State Class D Mens Varsity Baseball Championship, a terrific finish to an outstanding undefeated season. The Falcons, Section III Champions, won the state Class D final with a 6–2 triumph over Section I's Haldane to top off a 20–0 season and a dominant playoff run.

Previously, Fabius-Pompey, representing the Onondaga League, defeated the Oriskany Redskins of the Center State Conference in a 7–2 victory to retain the Section III, Class D Championship again this year, their third consecutive sectional title. In that game, the Falcons' star pitcher, junior Bryan Porter, entered the state record book for most consecutive innings without giving up an earned run. To advance to the State Final game, Fabius-Pompey later defeated Section IV champions Schenevus (7–0) and Section II champs Hermon-Dekalb (25–0). This year's title win against Haldane avenges a 1998 Class D State championship loss.

Talent emanates from the Fabius-Pompey dugout, with five players receiving Syracuse Newspapers' All CNY Baseball Team recognition, including Player of the Year Bryan Porter, First Team's Nate Bliss and Mike Shick, Third Team's Bob Virgil, and Honorable Mention Tim Wilcox. The team was led by All CNY Coach of the Year Shawn May, completing his ninth season leading the Falcons, and Assistant Coach Josh Virgil, himself a former Falcons fielder.

Members of the 2000 Class D Championship team include: Nate Bliss, Matt Crossman, Brandt Ford, Rob Keeney, Matthew Morse, Mitch Morse, Bill Orty, Brian Porter, Mike Shick, Jed Smith, Corey Spicer, Robert Virgil, and Tim Wilcox. Coaching staff includes Head Coach Shawn May, and Assistant Coaches Josh Virgil, Evan Eaton, and Jim Keegan.

I wish to celebrate the outstanding athletic achievements of these fine young men and recognize their scholastic and civic accomplishments as well. I join with the entire Fabius-Pompey community—including Falcons fans, parents and other family members, and educators and administrators—in extending sincere congratulations for a job well done. This strong group of fine young athletes deserves special recognition.

NORRISTOWN, PENNSYLVANIA AND MONTELLA, ITALY CELEBRATE NINE YEARS OF SISTERHOOD

HON. JOSEPH M. HOEFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. HOEFFEL. Mr. Speaker, I rise today to recognize a remarkable relationship between two wonderful cities—one here in the United States and the other in Italy. Nine years ago, the borough of Norristown in my district in Montgomery County, Pennsylvania and Montella, Italy established a Sister Cities program that has grown stronger each year.

Sister Cities International is an organization that motivates and empowers municipal officials, volunteers and youth to conduct long-term programs of mutual benefit and interest between two cities. Norristown and Montella have certainly taken advantage of this program. Norristown is an active participant in the Sister Cities program and has been fortunate to develop a partnership with people of Montella in the Province of Avellino, Italy. Montella is the home for many first and second generation Italian Americans who now reside in Norristown.

Thanks to the continued efforts of Norristown officials including Mayor Ted LeBlanc and officials from Montella including Mayor Bruno Fierro and Councilperson Carmelina Chiaradonna, this relationship has been successful in creating an atmosphere in which economic, cultural and personal ties have been implemented and strengthened.

Later this month, Joseph Byrnes, President of the Norristown Borough Council, will travel to Montella to visit Norristown's Sister City. I hope this experience, like the other personal, cultural and governmental contacts over the past nine years, will be enriching and enlightening, and I am pleased to have him represent Norristown on this exciting occasion.

A TRIBUTE TO SHIRLEY COHEN

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Ms. SANCHEZ. Mr. Speaker, on behalf of Orange County's senior citizens it is my distinct honor to pay tribute to a great leader, my friend, Shirley Cohen. On June 30 of this year, Shirley retired from the Feedback Foundation at the age of 81. However, for anyone who knows Shirley retirement is not the accurate word. Shirley is merely transitioning from Feedback to become a full time political activist.

In the more than 23 years since Shirley founded Feedback it has served more than twenty million meals to frail elderly in their homes as well as to active elders who come daily to senior centers and community centers throughout the County. Shirley's outstanding work in Orange County has been recognized at the state and national level. Shirley has served with distinction as the President of the California Association of Nutrition Directors. She is also the founder of the group which is now the National Association of Nutrition and Aging Services Programs.

Shirley Cohen is a unique individual. She is creative, committed and deeply compassionate about the needs of seniors. She is often called upon by policy makers at all levels to help develop measures that will provide home and community services for seniors.

In 1995 Shirley was invited to join the White House's Conference on Aging staff. During her service to the White House Conference she made important, enduring contributions to the resolutions that were adopted and have since become the foundation for the aging policy during this decade.

There are few words to fully describe Shirley Cohen. I do know one—indefatigable. Shirley works all the time for Feedback in the community at meetings and forums. She is more than just a friendly face—she is force for positive change.

The people of Orange County and especially our senior citizens have had a tireless friend and advocate with Shirley Cohen. I know I will still see Shirley around town or hear from her on some important legislative issue at any time.

The Orange County Board of Supervisors recently passed a Resolution honoring Shirley Cohen.

Shirley Cohen epitomizes our definition of a great public servant and a wonderful productive resource as a senior citizen. I am very pleased to pay tribute to her today.

RESOLUTION APOLOGIZING FOR SLAVERY

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. HALL of Ohio. Mr. Speaker, I include the following remarks for the RECORD.

INTRODUCTION

In 1865, Alexis de Tocqueville wrote, ''When they have abolished slavery, the moderns still have to eradicate a much more intangible and tenacious prejudice—the prejudice of race. Differences [between races] have lasted for centuries, and they still subsist in very many places; everywhere they have left traces which, though imaginary, time is hardly able to obliterate. I see slavery is in retreat, but the prejudice from which it arose is immovable.''

Those words, written over a century ago, unfortunately still ring true today.

WHY I INTRODUCED THE APOLOGY

A few years ago, I saw a television program with a black minister and a white minister commemorating Dr. Martin Luther King's birthday. They mentioned that there had never been an official apology for slavery. With the Civil War, with all that President Abraham Lincoln achieved, and with the Civil Rights Movement's successes, I found that hard to believe.

So I went to the Library of Congress and discovered that they were right—no one in the Government of the United States had ever apologized for slavery. I set out to correct this glaring omission in history, and in 1997, I introduced my simple resolution without much fanfare.

What happened next was a complete surprise. Debate about my resolution erupted at about the same time President Clinton began his ''National Dialogue on Race.'' Some dismissed it as ''a meaningless gesture'' or ''an avoidance of problem-solving.'' Some felt, as I still do, that this apology was overdue.

I received hundreds of letters and phone calls about the apology. Many of the people I heard from opposed the idea and some were outright hateful.

I know that my resolution will not fix the lingering injustices that were and are slavery's legacy. But, in any human relationship, reconciliation begins with an apology. I hope the official apology my resolution seeks will be the start of a new healing between the people of our country.

After taking care of my District, I focus on hunger and human rights. I have seen these problems in communities around our nation and the world, but I am not an expert on issues of race. What I do know, because I have seen it in rich and poor communities alike, is that there are deep divisions in our country's past and our present.

My faith leads me to a clear purpose for my life: to love God, and to love others as I would love myself. I know that I would not want my children sold as slaves. I know that it would tear me apart if my wife was taken from my arms and given to another man. I know that I would be angry if I was beaten, whipped and killed because of the color of my skin. I do not want that for my neighbors, whether they live down the street or half a world away.

Americans have tried to heal our race problems many times before today, but perhaps we can find more lasting solutions if we change our approach. We have started new programs, invested money, and written countless reports. But, I say with respect, that has not been enough. We need to acknowledge the past, recognize the present, and hope for the future.

WHY WE STILL NEED TO APOLOGIZE

Personal Reasons

There are numerous reasons why Congress should apologize for its role in promoting and sustaining slavery. First, it is the right thing to do. If you offend your spouse or a friend, you have to say you are sorry in order to go forward in your relationship. It is so basic that we teach our kids from an early age—say you are sorry, or you can't play anymore; apologize, or you have to go to your room.

These three words—I am sorry—are a foundation for beginning again, a small price to pay for restoring lost trust, and a necessary first step in moving forward constructively.

Others have said it better.

''An apology would show that my government and president believe the enslavement of Africans for national gain was a grave and revolting wrong. It will document in stone for years to come the country's repentance for a tremendous crime. It is the right thing to do,'' a woman wrote to me in 1997.

''The fact that you want to apologize, says to me personally, that you recognize and accept my pain, the pain of my ancestors, and that you care about it,'' another letter said, ''. . . in my lifetime, no one has done that.''

''A general expression of sorrow is the starting point of any healing process,'' a journalist for USA Today said. ''Of course, an apology has to be followed by serious acts of contrition, but any attempt at reconciliation that begins without one cannot be taken seriously.''

I was most heartened by the thoughtful people like Clarence Page of the Chicago Tribune, whose first reaction was ''why should we apologize?'' but who came, to the conclusion, ''why shouldn't we?''

This apology will not solve all of the problems, but it will begin new progress on issues that still divide Americans. It is never too late to admit a wrong and to ask for forgiveness. In giving those our nation wronged the dignity of this honest admission, we might all enjoy some measure of healing. And it will set the right example for our children.

Historical Reasons

Another reason to apologize for slavery is the historical precedent it will set. There have been many public apologies offered in recent years. In 1988, Congress apologized to Japanese-Americans for imprisoning them during World War II. In 1993, Congress offered a formal apology to native Hawaiians for the role the United States played in overthrowing the Kingdom of Hawaii a century before.

Other countries have also apologized: Britain's Prime Minister apologized to Irish people for failing to help the millions of people who suffered and died during the great potato famine of the 19th century. East Germany's legislature issued an apology for the atrocities committed against the Jews during the Holocaust. Japan's emperor formally apologized to Korea for its conduct during its colonial period.

Slavery has been an important focus of recent apologies. In 1993, Pope John Paul II apologized for the Catholic Church's support for slavery, and for the violence of the 16th Century Counter Reformation. In 1994, the State of Florida apologized and paid reparations for its role in the 1923 Rosewood riots. The same year, the Southern Baptist Convention apologized for its past support of slavery. In 1999, the United Methodist Church's West Ohio Conference called for white Methodists to apologize for their ancestors' role in slavery.

Unfortunately, America's history is littered with many examples of missed opportunities to address the ''peculiar institution'' of slavery. When our Founding Fathers declared that ''all men are created equal,'' we could have truly included everyone. When we established the Constitution as the rule of law for our new country, we could have treated slaves as full and equal, instead of treating them as three-fifths of a person. When the Supreme Court made its rulings, when our nation amended the Constitution, or when Congress wrote Civil Rights laws—at any of these moments in our history, we could have apologized for slavery. But we failed, and now we must go back and finish our history's chapter on slavery.

CONCLUSION

Last December, at the invitation of Benin's President, I attended a conference he convened on slavery and reconciliation. As I told the many dignitaries who attended, the tragedy of slavery and the curse that came with it will not simply disappear with time. All of us live with the legacy of slavery. Africans' descendants suffer from the guilt of having sold their brothers and sisters, and the effects of exploitation. Europeans' descendants are cursed with a divided society, blind to the fact that our own privilege perpetuates that division, and unaware of the need to repent. And African-Americans are plagued by the remnants of the institution of slavery and the consequences of bitterness.

Apologizing is humbling. To admit to a wrong, you expose your wounds and warts for all the world to see. But the United States is a great country, and it should be big enough to admit its mistakes. And it should be wise enough to do whatever is necessary to heal its divisions. I believe this apology is faithful to our past, and essential to our future.

H. CON. RES. 356

Acknowledging the fundamental injustice, cruelty, brutality, and inhumanity of slavery in the United States and the 13 American colonies, and for other purposes.

Whereas approximately 4,000,000 Africans and their descendants were enslaved in the United States and the 13 American colonies in the period 1619 through 1865;

Whereas slavery was a grave injustice that caused and continues to cause African-Americans to suffer enormous damages and losses, both material and intangible, including the loss of human dignity and liberty, the frustration of careers and professional lives, and the long-term loss of income and opportunity;

Whereas slavery in the United States denied African-Americans the fruits of their own labor and was an immoral and inhumane deprivation of life, liberty, the pursuit of happiness, citizenship rights, and cultural heritage;

Whereas, although the achievements of African-Americans in overcoming the evils of slavery stand as a source of tremendous inspiration, the successes of slaves and their descendants do not overwrite the failure of the Nation to grant all Americans their birthright of equality and the civil rights that safeguard freedom;

Whereas an apology is an important and necessary step in the process of racial reconciliation, because a sincere apology accompanied by an attempt at real restitution is an important healing interaction;

Whereas a genuine apology may restore damaged relationships, whether they are between 2 people or between groups of people;

Whereas African-American art, history, and culture reflects experiences of slavery and freedom, and continued struggles for full recognition of citizenship and treatment with human dignity, and there is inadequate presentation, preservation, and recognition of the contributions of African-Americans within American society;

Whereas there is a great need for building institutions and monuments to promote cultural understanding of African-American heritage and further enhance racial harmony;

Whereas it is proper and timely for the Congress to recognize June 19, 1865, the historic day when the last group of slaves were informed of their freedom, to acknowledge the historic significance of the abolition of slavery, to express deep regret to African-Americans, and to support reconciliation efforts: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring),

That the Congress—

(A) acknowledges the fundamental injustice, cruelty, brutality, and inhumanity of slavery in the United States and the 13 American colonies;

(B) apologizes to African-Americans on behalf of the people of the United States, for the wrongs committed against their ancestors who suffered as slaves;

(C) expresses condemnation of and repudiates the gross and wanton excesses perpetrated against African-Americans while the institution of slavery existed;

(D) recognizes the Nation's need to redress these events;

(E) commends efforts of reconciliation initiated by organizations and individuals concerned about civil rights and civil liberties and calls for a national initiative of reconciliation among the races; and

(F) expresses commitment to rectify misdeeds of slavery done in the past and to discourage the occurrence of human rights violations in the future; and

(2) it is the sense of the Congress that—

(A) a commission should be established—

(1) to examine the institution of slavery, subsequent racial and economic discrimination against African-Americans as a matter of law and as a matter of fact, and the impact of slavery and such discrimination on living African-Americans;

(ii) to issue a standardized, historical curriculum for use in public schools on the institution of slavery in the United States; and

(iii) to explore the possibility of establishing a scholarship and research fund; and

(B) a National museum and memorial should be established regarding slavery as it relates to the history of the United States, and other significant African-American history.

PERSONAL EXPLANATION

HON. CHRISTOPHER SHAYS

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SHAYS. Mr. Speaker, on July 10, I was in Connecticut participating in my district's nominating convention and, therefore, missed six recorded votes.

I take my voting responsibility very seriously, having missed only a handful of votes in my nearly 13 years in Congress.

I would like to say for the record that had I been present I would have voted no on recorded vote number 373, yes on recorded vote number 374, yes on recorded vote number 375, yes on recorded vote number 376, yes on recorded vote number 377, and no on recorded vote number 378.

VA–HUD APPROPRIATIONS—''ELDERLY HOUSING''

HON. GREGORY W. MEEKS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. MEEKS of New York. Mr. Speaker, I rise today against the bill because it does not do enough for the housing needs of the Elderly and Disabled. We must increase monies for programs to specifically assist these populations. There comes a point in time when everyone needs help and now is the time to help our Elderly and Disabled.

Dependence, vulnerability, and loneliness has become a lifestyle of the Elderly and Disabled who have no one to turn to.

The Elderly and Disabled of America are pleading to this Congress for assistance. As elected officials, it is our obligation to answer those cries and create solutions for those that are unable to fight for themselves.

This Appropriations bill falls short of meeting the housing needs of these groups by $78 million.

In fact, 37 percent of Elderly and Disabled housing lack basic necessities. Specifically, hand rails and grab bars in bathrooms that enable safe independent movement have not been installed in many of their apartments.

We need more money for construction and rehabilitation services for the elderly under Section 202, and more money for these same services for the disabled under Section 811.

In addition, the proposed appropriations for Community Development Block Grant programs are $295 million less than current funding and 8 percent less than requested by the Administration.

If this bill passes, New York would receive $30 million less in CDBG monies, and $6 million less than what was allocated in FY 2000. New York City needs CDBG money to revitalize our communities. And, the reduction of CDBG monies will reduce the number of households assisted by 11,425; and the number of jobs created by 10,340.

This bill doesn't provide a single penny for the program ''America's Private Investment Companies.'' We need this program to stimulate economic growth and development in impoverished inner city and rural areas. APIC is essential to the development of economic empowerment in our districts. This program would lay the foundation to do this.

How can we eliminate poverty and increase the standard of living in our districts if we cut funding from the same programs we look to for solutions to our problems?

I cannot support a bill that will increase the plight of the Elderly and Disabled who require our help the most.

COMMEMORATING THE 50TH ANNIVERSARY OF THE STUYVESANT FIRE COMPANY NO. 1

HON. JOHN E. SWEENEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SWEENEY. Mr. Speaker, today I recognize the golden anniversary of the Stuyvesant Fire Company No. 1, located in Stuyvesant, NY. For 50 years, the members of this great company have selflessly dedicated their lives to helping their neighbors and friends, often putting their own safety on the line to do so. It is with great pride that I share a bit of their history with you and my fellow colleagues today.

July 18, 1950, marked the beginning of the Stuyvesant Fire Company No. 1. The first company meeting, held at the Stuyvesant Hotel, was attended by 38 members. At this meeting it was decided that dues of $0.25 would be assessed to the charter members. The ensuing months were dedicated to establishing by-laws and a constitution for this promising new company. Fundraisers were held, earning the company the funds that were needed to build the house that would proudly bear the name of the company. In 1952, the Stuyvesant Fire Company No. 1 house was erected. The first official meeting was held within its walls on March 11 of the same year.

Fundraising has been a major theme of the firehouse, empowering the members of the community to take an active role in the betterment of this vital service. The diligent fundraising efforts of the company through events such as roast beef dinners and raffles, have allowed the company to make continuous improvements, thus improving its service to the citizens of the community. In fact, as a result of these efforts, in 1974 the firehouse was able to build a bay for a new fire truck at no cost to taxpayers.

In 1982, the fire company endorsed George Treitler as a director of the Columbia County's Firemen's Association and the next year he was elected as a director, which subsequently brought the 67th annual Columbia County Firemen's Association Convention to Stuyvesant in 1992. This honor was the culmination of years of hard work. Not only was the 67th Convention a great success, it set the precedent by which future conventions would be judged. In addition, the funds generated by the convention enabled the fire company to complete many projects and purchase needed equipment in subsequent years.

The Stuyvesant Fire Company No. 1 continued its tradition of excellence in 1996 and 1997 by winning the coveted Edward Rowe Trophy for best overall appearing fire company in the county. Winning this prestigious award in two consecutive years placed the company in an elite group of county fire companies with only two other companies being able to boast such a claim.

Mr. Speaker, the Stuyvesant Fire Company No. 1 has achieved epic levels of success. They stand as proof that with hard work and dedication, great things can happen. I would like to thank them for their commitment to excellence and wish them many more years of prosperity.

IN RECOGNITION OF THE LIONS CLUB OF WEBSTER GROVES, MISSOURI

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. GEPHARDT. Mr. Speaker, I wish to pay tribute to the Lions Club of Webster Groves, Missouri, celebrating its 75th Anniversary this year. This excellent service organization, from its beginnings, has had at its heart a commitment to the people and the community of Webster Groves. In 1933, the Webster Lions ''established a nutrition project in the schools and helped to form better health measures in

the home.'' The City's Health Commissioner at the time viewed the project as being ''of unlimited value to the community and will be felt for many years to come.'' Christmas parties for children and care of orphans, the provision of tennis courts for public use, baseball fields, and support of an ''Old Folks Home'' in a neighboring community are some of the projects they have supported over the years.

As federal resources and support were reduced in Webster Groves in the mid-1930s, the Webster Lions increased their participation with the local chapter of the American Red Cross to provide for the welfare needs of the community. Expenditures during 1935 in today's dollars exceeded $60,000 for community welfare alone. Their work with the American Red Cross during the worst days of the Great Depression was just a small portion of the good work in which they were involved. Their involvement and concern for their community continues to this very day, with sons and grandsons of the original members often taking their places in the organization.

Mr. Speaker, I ask my colleagues to join me in congratulating the Webster Groves Lions Club on its 75th Anniversary.

PERSONAL EXPLANATION

HON. RUBÉN HINOJOSA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. HINOJOSA. Mr. Speaker—Yesterday morning I was unavoidably detained and unfortunately missed two votes. Had I been present I would have voted as follows:

H. Con. Res. 253, Sense of Congress Objecting to Any Effort To Expel The Holy See From The UN As A State Participant By Removing Its Status As A Permanent Observer—Yea.

H.R. 4442, National Wildlife Refuge System Centennial Act—Aye.

TRIBUTE TO KOREAN WAR VETERANS FROM PUERTO RICO

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. PASCRELL. Mr. Speaker, I rise today to call to your attention the considerable valor during the Korean War of Julio Mercado of West Haverstraw, N.Y., Donato Santiago-Molina of Paterson, N.J., Guillermo Alamo of Newark, N.J., and Asuncion Santiago-Cruz of Philadelphia, PA. I also wish to call to your attention the deeds and tragic deaths of John A. Pabon and Ramon Gaya-Arce, who were tragically killed in action as members of the 65th Infantry Regiment, which was comprised of soldiers from the great island of Puerto Rico.

Fifty years ago, on June 27, 1950, U.S. forces launched a military effort to battle communist North Korea. Soon after, they were joined by soldiers from Puerto Rico, plucked from their Caribbean homeland to fight on a distant continent. Many were dirt poor from hill country and didn't speak a word of English. Some became U.S. soldiers because they needed a job; others were drafted.

Waging war on some of the world's harshest terrain, through the sweltering heat of summer and the bone-chilling winds of winter, the steely group of Puerto Rican soldiers fought with incredible determination and courage.

These Puerto Rican soldiers gave their hearts to the fight and helped sweep the North Koreans back to the 38th parallel. Working side by side with the U.S. forces from Maine to California, they then attacked Chinese forces that had entered the fray on behalf of the North Koreans.

Through months of bitter battle, in which the warring factions worked themselves into a bloody stalemate, the Puerto Rican soldiers fought valiantly along side GIs from Maine to California, sacrificing their lives for the ideals of democracy.

Negotiators finally signed an armistice agreement at Panmunjom on July 27, 1953. The North Koreans returned to the northern side of the 38th parallel, while democracy was allowed to once again flourish in the Republic of South Korea.

In later years, the Korean War would be called ''The Forgotten War.'' But for the Puerto Rican soldiers who gave everything they had to preserve freedom, this war will never be forgotten.

As we prepare to commemorate ''National Korean War Veterans Armistice Day'' on July 27, let us thank the Puerto Rican soldiers who demonstrated their love for America, although they did not have a vote—and still don't—in the affairs of this great nation.

Mr. Speaker, I would also like to bring to your attention the actions of three individuals who have worked selflessly to raise public awareness of Korean War veterans from Puerto Rico. Specifically, Puerto Rico Senator Kenneth McClintock, retired U.S. Army Sgt. Angel Cordero of Paterson, N.J., who serves as a Junior ROTC instructor at Eastside High School in Paterson, and Ruben Pabon, Jr. of Northvale, N.J. should be lauded for enlightening us of the Puerto Rican veterans' valiant efforts on behalf of our nation. Sadly, Mr. Pabon is waiting for the body of his late brother, Cpl. John A. Pabon, to be recovered from Korea some fifty years after the end of the war.

Let us all pray that democracy can reach every corner of the Earth, from Havana, Cuba to Beijing, China. And, just like our brave soldiers in the Korean War, may we remain ever vigilant against those who threaten our inalienable rights.

Mr. Speaker, I ask that you join me, our colleagues, the people of New Jersey, Puerto Rico and the United States in recognizing the outstanding and invaluable service to our nation of Julio Mercado, Donato Santiago-Molina, Guillermo Alamo, Asuncion Santiago-Cruz, as well as John A. Pabon and Ramon Gaya-Arce, who are no longer with us.

As we honor these men today, we in turn bear in mind the stand of the many courageous Puerto Rican soldiers against Communism, which has laid the foundation for the peace and freedom that America and many nations enjoy today. We also recall the grief of the Puerto Rican families who lost their children in this war, and remember the gratitude still expressed by the people of South Korea.

IN RECOGNITION OF THE NEW JERSEY DISTINGUISHED SERVICE MEDAL RECIPIENTS

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the recipients of the Distinguished Service Medal, New Jersey's highest military commendation.

Through extraordinary courage and patriotism, each of these recipients went beyond the call of duty during their military service. Because of their dedication and sacrifice, America succeeded in its fight against naked aggression, defeating the dark forces of tyranny, so that the world could continue its pursuit of democratic ideals.

It is not difficult to comprehend the gratitude America feels for the sacrifices and contributions these veterans made to ensure our freedom; and the Distinguished Service Award is a wonderful way to show our appreciation. I personally want to recognize and thank the following individuals from my district for their distinguished military service: Salvatore F. Acerra; Thomas J. Beeh; Anthony J. Brescia; Joseph E. Callandrillo; Walter F. Camporeale; Harold E. Cerbie; Richard B. Clark; John P. Conlon; Anthony R. Costantino; John O. Coughi; John F. Dellaluna; Maximilian Desonne; Peter J. Di Stefano; George H. Edler; Max J. Elsasser; Craig J. Fallon; Sol C. Feith; Joseph T. Fitzgerald; Edwin H. Gaffney; John M. Habermann; Richard Hamilton; Sean Healy; John T. Hoey; Norman Holtzberg; Albert J. James; Edward K. Janiga; Robert J. Jones; John Keselica; George F. Kimball; Chester Latko; Harry Lazarov; John G. Le Pore; Patrick T. Lioi; Angelo Mack; Nelson Martinez, Emil A. Masciandaro; Anthony M. Melone; Robert Menzel; Conrad J. Minutillo; Augustine A. Monahan; Alphonso J. Mosca; Michael J. Napolitano; Donald T. Nevins; Vincent L. Ortizio; Robert V. Palmeri; Ralph C. Pasqua; John H. Phillips; Howard J. Plunkett Jr., Joseph A. Pona; Antonio Raffaele Jr.; James A. Robinson; Ivan Romero; Joseph E. Rooth; Richard F. Rush; William A. Sears; Granger W. Searvance Sr.; Francis H. Seidal; Anthony Sikora; Albert F. Skirpstunas; Joseph H. Skrocki; James W. Smith; Edward J. Stacy; Walter Suty; Francis P. Trench; Francis H. Vannucchi; Miguel Vazquez; Dominick J. Vitone; Frank B. Wasniewski; Sanford L. Weiss; Eugene J. Wickeresty; Joseph Wigodner; L. Harry Wolpert; Francis Woods; and Anthony F. Zucaro.

Today, it is my honor to recognize there exceptional individuals. With courage, honor, and integrity they have each made invaluable and enduring contributions to America. I ask that my colleagues join me in recognizing them as well.

LIVE A LITTLE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. FRANK of Massachusetts. Mr. Speaker, I have for some time felt that we have overemphasized the importance of holding down the cost of medical care as a general principle. The notion that if the total amount we spend on medical care in all of its facets as a percentage of the gross domestic product exceeds some arbitrary figure we will be damaged economically is demonstrably false. A dozen years ago or so, people were convinced that America's economic performance was being retarded because we spent too much on medical care. No one can now make that argument, given the strength of our economy, and the continued high percentage that medical care absorbs of our gross domestic product compared to many other countries.

Indeed, I believe this notion that medical care costs must be held down despite the good that is accomplished by medical care expenditures has caused us serious problems in recent years. The ill-advised, ill-named Balanced Budget Act of 1997 inflicted serious cuts on the Medicare program from which health care providers and patients are still suffering, and undoing this terrible mistake is long overdue.

Because I feel this very strongly, I was especially pleased in a conversation with journalist Jonathan Cohn to learn that he had written on the subject, and I asked him to send me a copy of the article. Having read it, I am delighted to share it with my colleagues. It is a year old, but it is not old in any other sense. Mr. Cohn's arguments are cogent and supported by our experience. As Mr. Cohn notes, "among all of the things a nation's wealth could buy, surely the health of its citizens is near the top." I am very pleased that Mr. Cohn has set forward the argument for adequately funding our medical care needs in so a persuasive a fashion, and because this continues to be a matter of some debate in the Congress, I submit his article from the June 7 New Republic on this topic to be reprinted here.

[From The New Republic, June 7, 1999]

LIVE A LITTLE

(Jonathan Cohn)

My grandfather survived three heart attacks and a stroke over the course of his lifetime. And he did so thanks to some of the best medicine that insurance could buy: a heart bypass operation, extensive hospitalization, plus literally thousands of hours of one-on-one nursing care after the stroke left him partially paralyzed. I remember when the stroke hit: the doctors predicted he'd live maybe nine more months. That was in 1986. He passed away last year.

It would be near impossible to add up my grandfather's medical bills, but I'm sure they totaled hundreds of thousands of dollars. He benefited from a wide range of pharmaceutical products, the most advanced medical technology in the world, and care from highly trained specialists. Above all, he benefited from a health care financing system willing to subsidize such extravagance at every level—from the training of the surgeons to the research that invented blood-thinners to the salary of the worker who lifted him in and out of his wheelchair every day.

I thought about that last week when I read an article on rising health insurance premiums. It was merely the latest confirmation of a trend many economists have long predicted: that, after years of stability, the real price of health care in America is about to start climbing again. According to a study published last fall in the journal Health Affairs, the nation's total health care bill will likely go up by 3.4 percent annually over the next four years—compared with a rate of just 1.5 percent in the period from 1993 to 1996. By 2007, the study predicted, health care will soak up 16 percent of the gross domestic product. That would be quite a lot of money, particularly when you consider that we already sink more than 13 percent of GDP into health care—more than any other nation and well more than we spent in 1970, when health care was just seven percent of GDP.

The predictions are probably right. Today, about 85 percent of Americans who hold private insurance are enrolled in health maintenance organizations or other forms of managed care, which hold down costs by emphasizing preventive medicine; controlling access to tests treatments, and specialists; and simply bidding down the services of doctors and hospitals. Most of the people in these plans shifted over from costly fee-for-service insurance only in the past few years, and that transformation is the primary reason health care spending has remained stable during that time. But the cost containment from HMOs seems to have been a onetime phenomenon. Now expenditures on health care are going back up, if at a somewhat reduced clip, in part because people are starting to demand some of the things HMOs have been denying them, in part because the population is living longer, and in part because researchers continue to come up with expensive new technological innovations that patients want, from Viagra to the protease inhibitors that keep HIV in check.

Once the bill for all of this spending comes due, in the form of higher insurance premiums and more government spending, you can bet that a chorus of experts and high-minded officials will start insisting that we're spending too much. Some will do what former Colorado Governor Richard Lamm did back in 1992: they'll come right out and say we need to stop coddling the elderly with the kind of "long-shot medicine" that sustained my grandfather and made him more comfortable in his final years. Others will strike more cautious tones, preaching the need to be more efficient in our outlays, but the end result will be much the same: less generous care particularly at the margins. In a sense, we're already hearing early versions of this argument in the ongoing debate over Social Security and Medicare—two programs in which the current level of expenditures is widely believed to be unsustainable over the long run.

But this may be a case where the average citizen, who intuitively wants to keep spending that money, knows more than the average expert, who insists it's not possible. After all, we spend far more on computers than we did 20 years ago, but nobody makes a fuss about that. The reason is that computers have made economy stronger and our lives discernibly easier. Well, the same logic ought to apply to health care. Among all of the things a nation's wealth could buy, surely the health of its citizens is near the top. And, while some critics might carp about inefficiency in the system, that inefficiency keeps a good chunk of our country employed—while enabling the population as a whole to work longer and harder.

To be sure, many critics question whether our robust health care spending really translates into robust health. They argue that, even though European nations spend less on health care, the differences in health care "outcomes" and life expectancy are minimal. But it is notoriously difficult to measure the impact of health care spending. For one thing, those comparatively frugal counties benefit from the pharmaceuticals and treatments largely subsidized by big spending in the United States. What's more, the benefit of more health care spending may be simply to provide a few more weeks here and there, or to make life just a little more comfortable for some of the nation's sickest people. This is not the kind of thing that makes a big difference statistically, but it is the kind of thing a society might rightly deem important. After all, this is what usually happens in societies as they progress economically: the percentage of labor time spent on producing bare necessities—food, shelter, and clothing—shrinks, freeing up greater resources for making life more pleasant.

This isn't to say we parcel out all of our health care dollars wisely. Among other things, we currently subsidize emergency care for the uninsured, which is at once very expensive and not terribly efficient at keeping people healthy, while denying them the basic care most other nations offer as a privilege of citizenship. But the solution to this problem is not to worry excessively about how big the bill has gotten; if anything, we should be making the case for spending even more money and them making sure it's meted out on a more egalitarian basis. (Sound crazy? No less a sober mind than MIT economist Paul Krugman once made a similar argument, speculating that spending as much as 30 percent of GDP on health care might not be unreasonable.)

Yes, there is one catch. If you want to spend that much money on health care, you have to find the money to spend. But that's not a problem—or, at least, it shouldn't be. We have enjoyed enormous gains in productivity over the past few years, which means as a nation we are creating more wealth—wealth that can easily be directed to health care rather than to, say, sport utility vehicles, either in the form of higher insurance premiums or (heaven forbid!) higher taxes. "The alternatives uses of our resources are not necessarily more noble," Mickey Kaus once wrote in this space. He's right. There are a lot of things we could have bought my grandfather in his final months. But none was as valuable as the time itself.

HONORING LIEUTENANT COLONEL DEBRA M. LEWIS

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. BORSKI. Mr. Speaker, today I pay tribute to Lt. Col. Debra M. Lewis, the departing Commander and District Engineer of the Philadelphia District of the U.S. Army Corps of Engineers. Colonel Lewis fills many roles in her life. She is a mother to Emily, wife, daughter,

sister, equestrian, mentor to many, friend to even more, and last, but not least, a U.S. Army Lieutenant Colonel. She brings great strength, vitality and dedication to all the facets of her life, but it is her allegiance to her country that prompts me to honor her today.

As Commander of the Philadelphia District of the Army Corps of Engineers, she oversees the Delaware River Basin, approximately 13,000 miles spread across the five states of Pennsylvania, Delaware, New Jersey, New York and Maryland. More than 550 civilian and military personnel dedicate their efforts to carry out Corps projects at the request of local and state agencies, as authorized by Congress. Flood control, navigation, military installation support and environmental restoration are key missions of the Philadelphia District, which is a lead partner in the plan to preserve and protect the region and its water resources.

I have also enjoyed working with Colonel Lewis on many occasions. Her professionalism, expertise, and dedication to the Army Corps of Engineers have been an integral part of the success of the Delaware River Main Channel Deepening Project. I have also enjoyed working with Colonel Lewis on my vision for Philadelphia—the redevelopment and the revitalization of the Delaware River Waterfront. Her support has enabled this new project to move forward.

Colonel Lewis came to the Philadelphia District two years ago uniquely qualified to serve as its first female commander. A woman of many firsts, Debra Lewis is a member of the first class to graduate women from West Point. She was also the U.S. Military Academy's first female captain of its highly successful intercollegiate equestrian team, and also the 1980 Academy Equestrian of the Year. Her initiative and perseverance have seen her through many challenging circumstances.

In addition to her other pursuits, Colonel Lewis enjoys collecting quotations. Her personal motto: Attitude is everything. But I would offer one from Harvey Firestone, who once said, ''You get the best out of others when you give the best of yourself.'' It is my opinion that Lieutenant Colonel Debra M. Lewis is the embodiment of that sentiment.

Mr. Speaker, Lieutenant Colonel Debra M. Lewis should be commended for her 18 years of military service in the United States Army and is congratulated for a job well done for her performance as Commander and District Engineer of the Philadelphia District, United States Army Corps of Engineers. I offer her my very best wishes for continued success.

PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. BECERRA. Mr. Speaker, on June 10 and 11, 2000, I was detained with business in my District, and therefore unable to cast my votes on rollcall numbers 373 through 385. Had I been present for the votes, I would have voed ''aye'' on rollcall votes 375, 377, 379, 380, 381, 382, and 385; and ''nay'' on rollcall votes 373, 374, 376, 378, 383, and 384.

ENHANCED FEDERAL SECURITY ACT OF 2000, H.R. 4827

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. HORN. Mr. Speaker, today I am introducing the Enhanced Federal Security Act of 2000. H.R. 4827 seeks to prohibit those who abuse forms of false identification, including the law enforcement badge, from committing crimes against innocent people. This legislation is an expanded and improved version of my earlier proposal, the Police Badge Fraud Prevention Act, H.R. 2633.

The Enhanced Federal Security Act prohibits entry under fraudulent or false pretense to Federal Government buildings and the secure area of any airport. It also bans the interstate and foreign trafficking of counterfeit and genuine police badges, among those not authorized to possess such a badge.

H.R. 4827 addresses serious issues of security and public safety. Recently, the General Accounting Office conducted an undercover investigation of security in Federal Government buildings at the request of Representative BILL MCCOLLUM, Chairman of the Subcommittee on Crime. This investigation revealed critical lapses in policy at these government buildings which allowed unauthorized individuals access to secure areas, placing not only the individuals in those areas in danger, but jeopardizing national security. These undercover agents flashed fake law enforcement badges, which were easily obtained through the Internet, to penetrate secure areas in 19 government offices and two major airports.

Criminals can just as easily purchase badges, such as these used in the undercover investigation, over the Internet and through mail order catalogs. The ease with which the General Accounting Office agents were able to enter sensitive areas in Federal Government buildings and secure parts of airports suggests that the same opportunity exists for criminals to assume false identities and engage in criminal behavior.

Fake badges and other forms of false identification are dangerous when used to commit crimes against innocent people who trust in the authority of law enforcement officials.

In two separate incidents in Tampa, FL, an unidentified man attempted to abduct a young boy by using a fake police badge.

In Chicago, IL, sheriff's police are investigating a series of home invasions and sexual assaults against women by a man who flashes a police badge to get into victims' homes.

We must take action to prevent misuse of police badges and other forms of false identification to commit crimes. Beyond raising stakes for would-be criminals, a federal law is essential in addressing the interstate problem posed by increasing sales of counterfeit badges over the internet and through mail order catalogs.

With the capable assistance of Representative MCCOLLUM and the Subcommittee on Crime, as well as the support of the Corrections Day Advisory Group, I believe that we are taking the necessary measures to prevent criminal activity involving the misuse of the law enforcement badge and other false identifications. I encourage my colleagues to support the Enhanced Federal Security Act of 2000.

I am delighted to have the support of the following cosponsors: Representatives BILL MCCOLLUM, JAMES A. BARCIA, SHELLEY BERKLEY, MERRILL COOK, BOB CLEMENT, GENE GREEN, GARY MILLER, SUE MYRICK, JIM RAMSTAD, ADAM SMITH, and PETER J. VISCLOSKY.

I submit for the RECORD the revised bill, H.R. 4827.

H.R. 4827

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 ''Enhanced Federal Security Act of 2000''.

SEC. 2. ENTRY BY FALSE PRETENSES TO ANY REAL PROPERTY, VESSEL, OR AIRCRAFT OF THE UNITED STATES, OR SECURE AREA OF AIRPORT.

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by adding at the end the following:

''§ 1036. Entry by false pretenses to any real property, vessel, or aircraft of the United States or secure area of any airport

''(a) Whoever, by any fraud or false pretense, enters or attempts to enter—

''(1) any real property belonging in whole or in part to, or leased by, the United States;

''(2) any vessel or aircraft belonging in whole or in part to, or leased by, the United States; or

''(3) any secure area of any airport;

shall be punished as provided in subsection (b) of this section.

''(b) The punishment for an offense under subsection (a) of this section is—

''(1) a fine under this title or imprisonment for not more than five years, or both, if the offense is committed with the intent to commit any crime; or

''(2) a fine under this title or imprisonment for not more than two years, or both, in any other case.

''(c) As used in this section—

''(1) the term 'secure area' means an area access to which is restricted by the airport authority or a public agency; and

''(2) the term 'airport' has the meaning given such term in section 47102 of title 49.''.

''(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 47 of title 18, United States Code, is amended by adding at the end the following new item:

''1036. Entry by false pretenses to any real property, vessel, or aircraft of the United States or secure area of any airport.''.

SEC. 3. POLICE BADGES.

''(A) IN GENERAL.—Chapter 33 of title 18, United States Code, is amended by adding at the end the following:

''§ 716. Police badges

''(a) Whoever—

''(1) knowingly transfers, transports, or receives, in interstate or foreign commerce, a counterfeit police badge;

''(2) knowingly transfers, in interstate or foreign commerce, a genuine police badge to an individual, knowing that such individual is not authorized to possess it under the law of the place in which the badge is the official badge of the police;

''(3) knowingly receives a genuine police badge in a transfer prohibited by paragraph (2); or

''(4) being a person not authorized to possess a genuine police badge under the law of

the place in which the badge is the official badge of the police, knowingly transports that badge in interstate or foreign commerce;

shall be fined under this title or imprisoned not more than six months; or both.

''(b) It is a defense to a prosecution under this section that the badge is used or is intended to be used exclusively—

''(1) in a collection or exhibit;

''(2) for decorative purposes; or

''(3) for a dramatic presentation, such as a theatrical, film, or television production.

''(c) As used in this section—

''(1) the term 'genuine police badge' means an official badge issued by public authority to identify an individual as a law enforcement officer having police powers; and

''(2) the term 'counterfeit police badge' means an item that so resembles a police badge that it would deceive an ordinary individual into believing it was a genuine police badge.''.

''(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 33 of title 18, United States Code, is amended by adding at the end the following new item:

''716. Police badges.''.

SENSE OF CONGRESS STRONGLY OBJECTING TO EFFORT TO EXPEL HOLY SEE FROM UNITED NATIONS

HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. WELDON of Florida. Mr. Speaker, I rise in strong support of H. Con. Res. 253, which expresses the support of the Vatican retaining its status as a permanent observer at the United Nations. It is a tragedy that in the last few months, anti-Catholic pro-abortion groups have been attempting to remove the Holy See from its longstanding position of an observer at the U.N.

This is an attempt by extremists to silence the Vatican's defense of the family and the unborn. The Holy See has been a part of the U.N. since the beginning, over 50 years ago. In addition, the Holy See has formal diplomatic relations with 169 nations, including the United States and it maintains 179 permanent diplomatic missions abroad. I commend the Holy See for its commitment to the family, the unborn and serving the poor. The Holy See's contribution to the U.N. is very valuable. The Vatican's role is essential and vital for preserving family values and protecting life, particularly the most vulnerable.

HONORING COLONEL WILLIAM L. WEBB, III

HON. NORMAN SISISKY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SISISKY. Mr. Speaker, it is with great pleasure that I pay special tribute to an outstanding soldier who has dedicated his life to the service of our Nation.

Colonel William L. Webb, III, will take off his uniform for the last time this month as he retires from the United States Army following more than 28 years of active duty service.

Colonel Webb's career culminated with duty as the Legislative Director for the Chairman of the Joint Chiefs of Staff, where he served as the principal liaison between the Nation's most senior military officer and the U.S. Congress.

He prepared the Chairman, Vice Chairman and senior Joint General/Flag officers for congressional hearings, briefings, and testimony, and coordinated their legislative efforts on joint national security decisions with OSD, the Services, and the interagency community.

He interacted continuously with Members of Congress and their staffs, and developed and executed the strategy for presenting Joint Staff and Unified Command agendas to Congress.

Born in Tokyo, Japan, and raised in a military family, Colonel Webb has lived and traveled extensively throughout the United States, Europe and Asia.

His outstanding all-around high school performance in Carlisle, Pennsylvania, earned him a Presidential appointment to the U.S. Military Academy at West Point.

While at West Point, he excelled as a varsity wrestler, student leader, and school spirit coordinator.

He graduated in 1972 with a concentration in National Security and Public Affairs.

In 1983, Colonel Webb earned a Masters Degree in Business Administration from the Harvard Business School, concentrating in General Management/Human Resource Management.

His military education includes completion of the Armor Officer Basic and Infantry Officer Advanced Courses, the Armed Forces Staff College, and the Army War College, as well as the Rotary Wing Aviator Course and Air Assault School.

He has served on Fellowships in the White House, the U.S. Congress, and the Joint Center for Political and Economic Studies.

Colonel Webb has served in ground and air cavalry units in Germany, Colorado, Korea, Hawaii, Panama, and California, and commanded an aviation brigade in Germany, Bosnia, and Hungary.

His previous assignments include: Armored Cavalry Platoon Leader and Troop Executive Officer, 1st Squadron, 10th Cavalry; Aero Scout Section Commander, Aero Rifle Platoon Commander and Squadron Motor Officer, 4th Squadron, 7th Cavalry; Aero Weapons Platoon Commander, Assistant Squadron S3 and Ground Troop Commander, 3rd Squadron, 4th Cavalry; Associate Professor of Financial Management and Department Executive Officer at the United States Military Academy; White House Fellow in the Executive Office of President Reagan; Aviation Brigade S3 and Executive Officer, 7th Infantry Division (Light); Squadron Commander, 2nd Squadron, 9th Cavalry; Senior Military Fellow at the Joint Center for Political and Economic Studies; Congressional Staff Officer and Legislative Fellow in the Office of the Secretary of the Army; and Aviation Brigade Commander, 1st Armored Division.

Colonel Webb's combat experience includes service as Deputy Commander of the Aviation Brigade Task Force with Joint Task Force South and 7th Infantry Division (Light) during Operation Just Cause, the liberation of Panama.

From December 1995 to December 1996, Colonel Webb's aviation brigade was deployed to Bosnia-Herzegovina as part of a multi-national peace implementation force during Operation Joint Endeavor.

His Aviation Task Force was command and control headquarters for 120 Task Force Eagle helicopters that safely flew over 33,000 flying hours in treacherous conditions to compel peace in the war-ravaged Balkans.

Colonel Webb's awards and decorations include the Legion of Merit, Defense Meritorious Service Medal, three awards of the Meritorious Service Medal, three awards of the Army Commendation Medal, the Army Achievement Medal, the National Defense Service Medal with Bronze Star, Armed Forces Service Medal, NATO Medal, Joint Meritorious Unit Award, and Army Superior Unit Award, as well as the Senior Army Aviator, Assault, Presidential Service, Joint Staff, and Army Staff Badges.

Colonel Webb's units have been recognized for the following Army level professional excellence awards: Draper Armor Leadership Award (1980), AAAA Outstanding Army Aviation Unit of the Year (1989, 1996), Army Outstanding Aviation Logistics Support Unit of the Year (1992, 1996), Combat Support Air Traffic Control Unit of the Year (1996), LTG Parker Top Army Combat Battalion of the Year (1995, 1996), and LTG Parker Overall Winner and Top Army Combat Support Battalion of the Year (1996).

Colonel Webb is committed to his community, where he has served actively in church, neighborhood, youth sports, welfare, and family support activities.

He is blessed by his wife, Kathryn, and their children, David (19), Kristy (17), and Willy (9). Their life together is thoroughly focused on service to the Lord and their country, as well as enjoyment of family, friends, sports, travel, and people.

In 1990, First Lady Barbara Bush honored the Webb family as a recipient of the Great American Family Award.

Colonel Webb is a dynamic and resourceful Army officer who throughout his career has proven to be an indispensable professional.

His contributions and distinguished service will have long-term benefits for both the military and our Nation he so proudly served.

As Colonel Webb enters into his new profession, we will certainly miss him and wish him and his family the very best.

INTRODUCTION OF THE PHASED RETIREMENT LIBERALIZATION ACT

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. POMEROY. Mr. Speaker, today I join my colleague Senator Grassley in introducing the Phased Retirement Liberalization (PRL) Act. This legislation would allow in-service distributions from defined benefit plans once a

participant has reached the earliest of the plan's normal retirement age, age 59½, or 30 years of service. By providing for more flexible retirement options in defined benefit plans, this legislation will benefit employers and workers alike.

Over the next 20 years, the aging of the baby boom generation and other demographic factors will transform the very nature of retirement. These factors, which include a shrinking labor supply, increased life expectancy, the desire of remain active, and a greater need for financial security, will combine to change the concept of retirement from an "on-off" switch to a wide spectrum of options, including phased retirement. As embodied in the PRL legislation, phased retirement would allow individuals to continue working for their current employer even after they begin drawing down their pension benefits.

Many older Americans who want to continue working for their employer find that it makes more sense to switch jobs simply so that they can continue working and still receive their pension benefit. Other workers retire from their employer and start receiving pension benefits; only to be rehired later—either as a full-time or part-time employee or as an independent contractor. While these arrangements have allowed some workers to take advantage of phased retirement, permitting in-service distributions from defined benefit plans at age 59½ or 30 years of service will allow more employers to offer flexible retirement programs.

Employers have expressed a keen interest in phased retirement as a method of retaining skilled older workers. In a survey of 586 larger employers conducted by Watson Wyatt in 1999, 60 percent of employers reported they were having difficulty attracting workers, and fully 70 percent agreed that implementing a phased retirement program is a viable strategy for addressing labor shortages. Sixteen percent of employers surveyed reported that they offer phased retirement, while another 28 percent said they are interested in establishing such programs in the next two to three years. Employers currently offering phased retirement report that it enables them to retain skilled older workers.

Mr. Speaker, our nation's pension laws have not kept pace with the need for flexible approaches to retirement. Under current law, defined benefit plans are permitted to make in-service distributions to active employees only if they have reached the plan's "normal retirement age." Under our legislation, however, the vast majority of defined benefit plans would have the flexibility to adopt a phased retirement arrangement.

Congress recently recognized the changing nature of the workforce and of retirement by passing legislation to eliminate the Social Security earnings test for beneficiaries age 65 and older. It is time that Congress took a similar step in the private sector by examining phased retirement proposals.

COMMENDING JUD M. LOCKWOOD'S ARTICLE ON THE AMERICAN FLAG

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. NETHERCUTT. Mr. Speaker, when I was in my district over the 4th of July weekend, I read a newspaper article in my hometown paper that deserves the attention of the House.

The article explains how Jud M. Lockwood, of Spokane, WA, came to write a very moving paean to the American flag. Mr. Lockwood is a veteran of World War Two and he fought in North Africa and Europe. He knows first-hand of the sacrifices our fellow Americans have made to defend our nation and believes that the American flag is the living symbol of the price of freedom.

Last year, Mr. Lockwood decided to write the story of the American flag. In five short paragraphs, writing from the point of view of the flag itself, the story brings to life the silent symbol of America. Mr. Lockwood is urging all Americans to take the time to read the story of our flag. I wish to join his crusade by entering into the CONGRESSIONAL RECORD Mr. Lockwood's story, as well as the newspaper article describing his passionate efforts to promote this worthy cause.

Thank you Jud Lockwood, both for reminding Americans about the history and symbolism of our flag, but also for standing up for the flag in its time of need more than 50 years ago.

AN INSPIRATION FOR PATRIOTISM

(By Tracy Eilig)

In a neon orange Hawaiian shirt, Jud Lockwood folds his arms behind his head, rocks back in his easy chair and tries to explain how the idea came to him.

He can't. He hasn't a clue. He woke up one morning and the idea was in his head, like a baby in a basket left on the doorstep.

But he's taken care of it ever since. Or, maybe, the idea has taken care of him.

"I woke up and thought, 'I fought hard for the American flag and so did millions of others, and maybe I could write a story to give it the credit it deserves,' " he said.

His wife, Ruth, was skeptical. "Jud, you can't even write a good letter," she said.

But Lockwood sat down in his living room last fall with a yellow legal pad in hand and wrote. He came up with five paragraphs and 479 words that he wants everyone in America to read.

Lockwood calls it a story. But it's not really a story or a poem. It takes the point of view of the flag talking about itself in a way that ends up like a history lesson, a reminder and an admonition It's sort of a red-white-and-blue Post-it note of patriotism;

"When you pledge your allegiance to me, remember that it stands for 'Liberty and justice for all.' Please rest assured that I will fly over your last resting place. Love and respect me as I shall be yours forever."

That's the final paragraph. It brings tears to Lockwood's eyes.

"My thrust is to get it out to the people because we should all respect the flag," he said, "To me, the flag is priceless. I am a firm believer that it's an emblem of peace in the world and as long as the flag flies we're safe."

A retired insurance salesman, former mayor of Omak, Wash., and former manager of the Omak Chamber of Commerce, the octogenerian and his wife moved to Spokane four years ago.

He is a World War II veteran, having fought in North Africa and Europe. He remembers watching fleets of B–17s fly over Italy on their way to bomb German targets. Some of the planes would vanish in a black cloud, in taking a direct hit from anti-aircraft fire.

In Tunis, he huddled with the rest of the troops as German Messerschmitt fighters strafed and bombed their positions.

"You're just at their mercy," he said.

It was a part of the war that Lockwood brought home with him in 1945 and lingered for a while before vanishing. Sitting at the dinner table, the sound of an airplane would make him race outside and dive for cover.

"I think you get fear built up in you," he said.

But Lockwood would do it again. He'd go to war for his country again even at his age.

"Freedom is priceless as far as I'm concerned," he said.

To Lockwood the flag is the embodiment of that freedom and everyone should respect it. It's that belief that has driven him for months.

With the help of a neighbor in his apartment complex, Lockwood got his flag story edited. With the help of the building manager, he got it formatted on paper with stars in the background and stripes around the border. With the encouragement of his wife, daughter and strangers he's met along the way, he's tried to sell his admonition to respect the flag.

He copyrighted his story and then made himself business cards. He puts blue and red edging on them by hand with a felt-tip marker. He finishes them with a sticker of, naturally, an American flag.

He's gone to schools. To fire departments. To the U.S. Immigration and Naturalization Service. Everywhere, he tries to sell copies of his flag story.

"Do you realize 600,000 immigrants enter the country annually?" he said.

Every one of them should have a copy, Lockwood thinks. Why not?

He's taken his story to congressmen. He's offered it to banks. He'd like it to be printed on the back of brochures for political candidates. He's sold about 500 trying to cover his expenses and given away hundreds of other copies.

"I would like to get this into a national concern. Maybe someday, one of my children will take over," he said. "I would like to see the flag story on the Statue of Liberty, put into bronze or something."

Lockwood woke up one morning with his version of the American dream. He took care of it, made it grow. It's taking care of him, too.

Before the idea for his flag story came to him, Lockwood was feeling a little adrift.

"I really didn't do much. I'd walk downtown, got involved with my church. Basically, I don't think I had a lot of direction until this bombshell—this story hit," he said. "I wonder if I didn't have this, what really would I be doing?"

But it's a question he doesn't need to probe. He's got his mission.

"I get carried away, each day I get up seeing where I can sell them. I think the possibilities are unlimited. It keeps me going, keeps me active," Lockwood said. "It gives me a goal every day to go out and meet people."

I AM YOUR FLAG—THE AMERICAN FLAG

I am also known as the Grand Old Flag. I am the greatest flag in the world. I am thrilled and overjoyed that I can represent you. As I fly from many high and lofty heights, you honor me from places such as the United States capital, state capitals, your home, city halls, cemeteries, the Tomb of the Unknown Soldier, and the island of Iwo Jima. I am doing my best to remind you that I represent the home of the brave and the land of the free.

My beginning is uncertain. Some scholars claim that Francis Hopkins designed me, while other say Betsy Ross made me. Whichever, it doesn't change my goals. It has been a grand and glorious life for me. I have led this great country in thousands of parades. I have been saluted by millions, and sung to at events of all kinds. I am happy to wave to you as a symbol of peace and hope. I am also known as Old Glory. What an honor to have a name like that. I tingle with pride when you sing the Star Spangled Banner, or graciously give the Pledge Of Allegiance.

Sometimes I get cold and lonesome flying high above. The wind whips me in many directions, but my life is to give you courage and direction. As I see a big storm approaching, I become somewhat concerned and brace myself for the wind, rain, hail, sleet, snow or whatever nature has in store. Being afraid of the elements doesn't hurt my pride because the American people are thinking of me, and what I proudly stand for.

For centuries I have been the symbol of peace and honor, yet I have been burned, tattered, and torn by warfare. I have been cursed, worn on people's anatomy, hairpieces and clothing. I don't like it! It's disrespectful of my intent and purpose to represent freedom. At times it is hard for me to realize that I have been the emblem of peace and justice for so many years. Why do some people want to destroy me, and what I stand for? I hope that my days as your flag are not numbered. Cherish me, respect and love me for centuries to come. Sometimes I get so battered, torn and faded that I need to be replaced. I know that one of my brothers or sisters is willing and able to take my place as Old Glory. When my time to depart arrives, I never want to leave without knowing that another flag is flying for you on top of a flagpole or at half-mast in honor of those who have made the ultimate sacrifice for our great country.

When you pledge your allegiance to me, remember that it stands for liberty and justice for all. Please rest assured that I will fly over your last resting place. Love and respect me as I shall be forever yours.

INCREASE OF $40 MILLION TO THE ENERGY AND WATER APPROPRIATION ALLOCATION

HON. MATT SALMON

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. SALMON. Mr. Speaker, Mr. MARK UDALL and I recently introduced, and ChairmanPACKARD accepted, an amendment to add $40 million to the FY 2001 Energy and Water budget. The following chart appropriates that $40 million in a manner agreed upon by Chairman PACKARD. I submit this chart for inclusion in the RECORD.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS—RENEWABLE ENERGY RESOURCES—SALMON/M. UDALL/BOEHLERT/KAPTUR AMENDMENT

[In millions of dollars]—

Program	FY00 actual	FY01 request	FY01 house	Amendment adds	Program totals
Solar bldgs.	2	4.5	2	+1.95	3.95
PV	65.9	82	67	+8.775	75.775
CS power	15.2	15	6	+7.8	13.8
Biopower	31.8	48	32	+1.4625	33.4625
Biofuels	38.9	54.4	42.26	+3.9	46.16
Wind	32.5	50.5	33.28	+3.9	37.18
REPI	1.5	4	1	+2.925	3.925
RE prog support	4.9	6.5	4		4
Int'l Renewable	3.8	11.5	4		4
NREL	1.1	1.9	4		4
Geotherman	23.6	27	24	+2.925	26.925
Hydrogen	24.5	23	22	+1	23
Hydropower	5	5	5	+.4875	5.4875
Renewable Indians	4	5	2		2
Elect. sys.	37.8	48	37	+4.875	41..875
Emissions			.1		.1
Transmission	3	11	5		5
(DistPower)		(3)	(3)	(+.975)	(3.975)
HTS	31.4	32	28	+3.9	31.9
Storage	3.4	5	4		4
DOE energy mgmt	0	5	2		2
Federal buildings	4	[1] (6)	0		0
Program direction	17.72	18.159	18.159		18.159
Totals	314.22	409.459	305.699	+40	345.699

[1] Not requested.

OPPOSITION TO LANGUAGE PERMITTING LARGER MICROENTERPRISE LOANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 12, 2000

Mr. GILMAN. Mr. Speaker, the following is an explanation of the purposes of a point of order I made relative to legislative language on microenterprise loans that I did not have the opportunity to deliver in full on the floor. I include it here so that my purposes in making the point of order are clear.

Mr. Chairman, I make a point of order against the language appearing in the bill beginning with "Provided" on page 11, line 23, through page 12, line 8, on the ground that it violates clause 2 of Rule XXI.

The Rule prohibits changes to law on general appropriations bills. This language imposes conditions on the microenterprise program and clearly changes existing law by relaxing minimum lending provisions.

The House considered the issue of microenterprise lending in 1999 when it passed H.R. 1143. A counterpart to that bill has been reported by the Senate Committee on Foreign Relations and is awaiting floor action, I hope we will be able to complete our consideration of it before long.

If the Administration, which has historically wanted to relax these standards, wished to engage further with the Congress on this issue, they should have approached the Committee with legislative jurisdiction, the Committee on International Relations.

That is an unfortunate attitude that we have seen from time to time in this and other Administrations and I regret that we have to consume the time of the Committee in dealing with this sort of matter in this way.

Accordingly, Mr. Chairman, I must respectfully insist on my point of order.