

H.R. 999: A bill to amend the Federal Water Pollution Control Act to improve the quality of coastal recreation waters, and for other purposes.

#### REPORTS OF COMMITTEES RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 6, 1999, the following reports of committees were submitted on August 30, 2000:

By Mr. DOMENICI, from the Committee on Appropriations:

Report to accompany H.R. 4733, a bill making appropriations for energy and water development for the fiscal year ending September 30, 2001, and for other purposes (Rept. No. 106-395).

#### 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, on August 25, 2000.

By Mr. LUGAR:

S. 3001. A bill to amend the United States Grain Standards Act to extend the authority of the Secretary of Agriculture to collect fees, extend the authorization of appropriations, and improve the administration of that Act, to amend the United States Warehouse Act to authorize the issuance of electronic warehouse receipts, and for other purposes; from the Committee on Agriculture, Nutrition, and Forestry, placed on the calendar.

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated, today:

By Mr. BINGAMAN (for himself, Mr. MCCAIN, Mr. HOLLINGS, Mrs. MURRAY, Mr. BROWNBACK, Mr. DOMENICI, Mr. BREAUX, Mr. ROBB, Mr. TORRICELLI, and Mr. GORTON):

S. 3002. A bill to authorize a coordinated research program to ensure the integrity, safety and reliability of natural gas and hazardous liquids pipelines, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. ASHCROFT (for himself, Mr. HAGEL, and Mr. ABRAHAM):

S. 3003. A bill to preserve access to outpatient cancer therapy services under the medicare program by requiring the Health Care Financing Administration to follow appropriate procedures and utilize a formal nationwide analysis by the Comptroller General of the United States in making any changes to the rates of reimbursement for such services; to the Committee on Finance.

By Mr. INOUE:

S. 3004. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for the conversion of cooperative housing corporations into condominiums; to the Committee on Finance.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Ms. LANDRIEU (for herself, Mrs. FEINSTEIN, Mrs. HUTCHISON, Ms. COLLINS, Mrs. MURRAY, Mrs. BOXER, Mrs. LINCOLN, Ms. MIKULSKI, and Ms. SNOWE):

S. Res. 347. A resolution designating the week of September 17, 2000, through September 23, 2000, as National Ovarian Cancer Awareness Week; to the Committee on the Judiciary.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BINGAMAN (for himself, Mr. MCCAIN, Mr. HOLLINGS, Mrs. MURRAY, Mr. BROWNBACK, Mr. DOMENICI, Mr. BREAUX, Mr. ROBB, Mr. TORRICELLI, and Mr. GORTON):

S. 3002. A bill to authorize a coordinated research program to ensure the integrity, safety and reliability of natural gas and hazardous liquids pipelines, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE PIPELINE INTEGRITY, SAFETY AND RELIABILITY RESEARCH AND DEVELOPMENT ACT OF 2000

Mr. BINGAMAN. Mr. President, I rise today to address a serious issue currently pending in the Senate—pipeline safety. On August 19, there was a tragic pipeline accident in my state of New Mexico. A natural gas transmission line ruptured at 5:30 a.m. that Saturday morning in a rural area south of Carlsbad, NM. Unfortunately, the rupture occurred near a popular fishing spot along the Pecos river. Two families were camped below the bridge traversed by the pipeline. Eleven people, including five small children, died when their favorite camping spot was overcome by heat and flames. I have just learned that the one survivor, Amanda Smith, died earlier today. I would like to include a couple of articles about the victims to be printed in the RECORD after my statement. They should be remembered as individuals, not mere statistics.

This was a human tragedy I can barely describe. I spoke briefly with Martha Chapman, mother of two of the victims, and grandmother of two of the children. She had just returned to Carlsbad for the funeral from Lubbock where she had been keeping vigil at the bedside of her daughter-in-law. She was devastated. She said her whole life was gone. She begged me to do what I could to make sure something like this would never happen to another family. I had no words that could ease her grief, but I promised to do what I could when I returned to Washington. That afternoon I went out to the site to see firsthand the damage and what was being done to determine the cause of the rupture.

I spent several hours with Kelley Coyner, the chief pipeline safety official at the Department of Transportation, and some of her engineers and

inspectors. What became abundantly clear to me is that the Office of Pipeline Safety does not have adequate resources to carry out its mandate. There are only 55 inspectors for the entire interstate pipeline system. Secondly, the agency needs the additional authority it has requested in the current reauthorization bill to address the different circumstances on individual pipelines.

The first thing we need to do is to ensure the Office of Pipeline Safety has the necessary resources to protect the public safety and the environment. The budget of the Office of Pipeline Safety is fully reimbursed by user fees charged to the pipeline operators, yet for the last five years the Congress has underfunded the agency's budget request. For FY 2001 the request was \$47 million. The Senate has appropriated \$43 million, the House only \$40 million. I urge the conferees to increase the appropriation for FY 2001 to at least the requested level.

Second, we need to pass the Pipeline Safety Reauthorization bill. The bill reported by the Commerce Committee requires each and every interstate natural gas and hazardous liquid pipeline to develop and implement an integrity management plan. This approach will give the Office of Pipeline Safety the authority to impose more rigorous requirements, as necessary, to address areas with the greatest likelihood of failures and on aging pipelines and those in populated or environmentally sensitive areas. This bill is a major step toward ensuring the safety of our pipeline infrastructure. I am concerned, though, that the authorization levels included in the bill as filed may not be adequate for the task of a very individualized approach that will require a significant increase in staffing to address regional differences and community-specific needs.

I would like to commend the efforts of Senator MCCAIN, chairman of the Commerce Committee, and Senators MURRAY and GORTON and their staff, who have all worked hard to move the reauthorization forward. I also want to acknowledge Senators BREAUX and BROWNBACK for their efforts to include a workable set of requirements that can be fully implemented and enforced.

Although the National Transportation Safety Board has not determined the cause of the accident in New Mexico, it appears that internal corrosion was a major factor. The transmission line in New Mexico ruptured at a point near a sharp bend in the pipe. An electronic internal inspection device, commonly called a smart pig, which is used for detecting corrosion in a pipeline, could not be run through that section of pipe because of the bend. Currently, about the only way to inspect sections of pipe such as this is to dig up the pipe and evaluate it directly. The company in New Mexico is

doing just that along nearly 400 miles of pipeline to ensure there are not any other vulnerable spots along the pipe. But, with nearly 500,000 miles, and growing, of transmission lines across the country, this is not an optimal solution from the standpoint of time or cost.

This country has the technological capability to collect data from the outer reaches of the solar system; we should be able to develop technologies to measure pipeline integrity under six feet of soil without digging up thousands of miles of pipe.

I asked one of the scientists from Sandia National Laboratories, one of the Department of Energy's multipurpose labs, to come to Carlsbad with me to visit the site of the accident and to talk to the pipeline safety experts about the gaps in our technical capabilities. The national labs have capabilities for remote sensing, satellite monitoring and materials development that could surely be adapted for better testing and inspection of the pipeline infrastructure. I am also wondering whether MEMS, the efforts at miniaturizing electronic equipment, could be applied to develop a smart pig, or device with the same purpose, to negotiate older pipelines. Sandia has been working on a project to upgrade the Russian pipeline system, the scientists have the knowledge and expertise on pipeline operations to benefit our own system.

Since returning from Carlsbad, I have been working to develop a framework for a collaborative R&D effort directed by the Department of Transportation with the assistance of the Department of Energy and the National Academy of Sciences. The Departments of Transportation and Energy, as well as a number of industry research groups, including the Pipeline Research Council International and the Gas Technology Institute, currently conduct research on pipeline integrity, but there is no coordinated, prioritized plan to ensure the most critical issues are being addressed in the most effective manner. I am introducing a bill today, the Pipeline Integrity, Safety and Reliability Research and Development Act of 2000, that will set up such a structure led by the Department of Transportation. I want to thank Senators MCCAIN, HOLLINGS, MURRAY, GORTON, ROBB, BROWNBACK, BREAUX, DOMENICI, LANDRIEU, KERRY and TORRICELLI for cosponsoring this bill.

The bill directs DOT and DOE to work with an Advisory Committee set up by the National Academy of Sciences to develop a five-year accelerated plan of action to address the most critical R&D needs to ensure pipeline integrity, safety and reliability. The Advisory Committee would include representatives of the natural gas, oil and petroleum product pipelines, the national labs, universities, the indus-

try research groups, state pipeline safety officials, environmental organizations, pipeline safety advocates and any other technical experts the Academy includes.

According to a recent GAO report, "From 1989 through 1998, pipeline accidents resulted in an average of about 22 fatalities per year. Fatalities from pipeline accidents are relatively low when compared with those from accidents involving other forms of freight transportation: On average about 66 people die each year from barge accidents, about 590 from railroad accidents, and about 5100 from truck accidents." Recent accidents, including the tragedy in my state, have undermined public confidence in the safety of pipelines. As policymakers we must take responsibility for restoring that confidence.

Natural gas and liquid pipelines are a critical element of our nation's energy infrastructure. They provide a cost-effective and relatively safe means of delivering energy. As the economy has grown, and become increasingly urbanized, siting new pipelines has become more and more challenging. At the same time, the importance of these pipelines has increased dramatically. Incidents on two gasoline pipelines, relatively unnoticed since no one was injured, reduced their operations at a critical time this summer contributing to a gasoline price spike of \$2.50 a gallon in the northern Midwest. The rupture of this major natural gas transmission line in New Mexico reduced supplies into California at a critical time of peak electricity demand. I hope we don't experience a major failure of a product line into the northeast this fall or winter which could send the price heating oil off the charts.

I plan to offer my bill as an amendment to the pipeline safety reauthorization when it comes before the Senate. As the ranking member on the Energy Committee and representative of a state crisscrossed with thousands of miles of pipelines, I urge my colleagues to support passage of the pipeline safety reauthorization bill with my amendment. I further urge you to support full funding for the Office of Pipeline Safety and the R&D program.

Let me indicate the cosponsors of this legislation: Senators MCCAIN, HOLLINGS, MURRAY, BROWNBACK, DOMENICI, BREAUX, ROBB, TORRICELLI, GORTON, KERRY, and LANDRIEU. I ask unanimous consent to have the bill and two articles printed in the RECORD.

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

S. 3002

*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 "Pipeline Integrity, Safety and Reliability Research and Development Act of 2000".

**SEC. 2. FINDINGS.**

Congress finds that—

- (1) natural gas and hazardous liquid pipelines are a critical element of our nation's energy infrastructure;
- (2) pipeline transportation of natural gas and liquid fuels is a cost-effective means of delivering energy;
- (3) the nation's reliance on pipelines is increasing, especially for delivery of fuel to densely populated areas;
- (4) a number of the nation's pipelines have been in service for more than 50 years;
- (5) ensuring pipelines are constructed and maintained to minimize the risks to safety and the environment is a national priority;
- (6) early detection of serious defects in a pipeline reduces the risk of accidents;
- (7) pipeline operators and federal and state inspectors need advanced technologies to locate and monitor pipelines before failures occur;
- (8) the many benefits of pipeline transportation are in the national interest and it is appropriate for the Federal Government to provide investment in fundamental and research-driven innovation in the areas of pipeline materials, operations and inspections techniques; and
- (9) federal contributions to promoting pipeline safety should be part of a coordinated research and development program under the Department of Transportation and in coordination with the Department of Energy, the national laboratories, universities, the private sector and other research institutes.

**SEC. 3. COOPERATION AND COORDINATION PROGRAM FOR PIPELINE INTEGRITY RESEARCH AND DEVELOPMENT.**

- (a) IN GENERAL.—The Secretary of Transportation, in coordination with the Secretary of Energy, shall develop and implement an accelerated cooperative program of research and development to ensure the integrity of natural gas and hazardous liquid pipelines. This research and development program shall include materials inspection techniques, risk assessment methodology, and information systems surety.
- (b) PURPOSE.—The purpose of the cooperative research program shall be to promote research and development to—
  - (1) ensure long-term safety, reliability and service life for existing pipelines;
  - (2) expand capabilities of internal inspection devices to identify and accurately measure defects and anomalies;
  - (3) develop inspection techniques for pipelines that cannot accommodate the internal inspection devices available on the date of enactment;
  - (4) develop innovative techniques to measure the structural integrity of pipelines to prevent pipeline failures;
  - (5) develop improved materials and coatings for use in pipelines;
  - (6) improve the capability, reliability, and practicality of external lead detection devices;
  - (7) identify underground environments that might lead to shortened service life;
  - (8) enhance safety in pipeline siting and land use;
  - (9) minimize the environmental impact of pipelines;
  - (10) demonstrate technologies that improve pipeline safety, reliability and integrity;
  - (11) provide risk assessment tools for optimizing risk mitigation strategies; and
  - (12) provide highly secure information systems for controlling the operation of pipelines.

(c) AREAS.—In carrying out this Act, the Secretary of Transportation, in coordination with the Secretary of Energy, shall consider research and development on natural gas, crude oil and petroleum product pipelines for—

(1) early crack, defect, and damage detection, including real-time damage monitoring;

(2) automated internal pipeline inspection sensor systems;

(3) land use guidance and set back management along pipeline rights-of-way for communities;

(4) internal corrosion control;

(5) corrosion-resistant coatings;

(6) improved cathodic protection;

(7) inspection techniques where internal inspection is not feasible, including measurement of structural integrity;

(8) external lead detection, including portable real-time video imaging technology, and the advancement of computerized control center leak detection systems utilizing real-time remote field data input;

(9) longer life, high strength, non-corrosive pipeline materials;

(10) assessing the remaining strength of existing pipes;

(11) risk and reliability analysis models, to be used to identify safety improvements that could be realized in the near term resulting from analysis of data obtained from a pipeline performance tracking initiative.

(12) identification, monitoring, and prevention of outside force damage, including satellite surveillance; and

(13) any other areas necessary to ensuring the public safety and protecting the environment.

(d) POINTS OF CONTACT.—

(1) IN GENERAL.—To coordinate and implement the research and development programs and activities authorized under this Act—

(A) the Secretary of Transportation shall designate, as the point of contact for the Department of Transportation, an officer of the Department of Transportation who has been appointed by the President and confirmed by the Senate; and

(B) the Secretary of Energy shall designate, as the point of contact for the Department of Energy, an officer of the Department of Energy who has been appointed by the President and confirmed by the Senate.

(2) DUTIES.—

(A) The point of contact for the Department of Transportation shall have the primary responsibility for coordinating and overseeing the implementation of the research, development and demonstration program plan, as defined in subsections (e) and (f).

(B) The points of contact shall jointly assist in arranging cooperative agreements for research, development and demonstration involving their respective Departments, national laboratories, universities and industry research organizations.

(e) RESEARCH AND DEVELOPMENT PROGRAM PLAN.—Within 240 days after the date of enactment of this Act, the Secretary of Transportation, in coordination with the Secretary of Energy and the Pipeline Integrity Technical Advisory Committee, shall prepare and submit to the Congress a 5-year program plan to guide activities under this Act. In preparing the program plan, the Secretary shall consult with appropriate representatives of the natural gas, crude oil and petroleum product pipeline industries to select and prioritize appropriate project proposals. The Secretary may also seek the ad-

vice of utilities, manufacturers, institutions of higher learning, federal agencies, the pipeline research institutions, national laboratories, state pipeline safety officials, environmental organizations, pipeline safety advocates, and professional and technical societies.

(f) IMPLEMENTATION.—The Secretary of Transportation shall have primary responsibility for ensuring the five-year plan provided for in subsection (e) is implemented as intended by this Act. In carrying out the research, development, and demonstration activities under this Act, the Secretary of Transportation and the Secretary of Energy may use, to the extent authorized under applicable provisions of law, contracts, cooperative agreements, cooperative research and development agreements under the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), grants, joint ventures, other transactions, and any other form of agreement available to the Secretary consistent with the recommendations of the Advisory Committee.

(g) REPORTS TO CONGRESS.—The Secretary of Transportation shall report to the Congress annually as to the status and results to date of the implementation of the research and development program plan. The report shall include the activities of the Departments of Transportation and Energy, the national laboratories, universities, and any other research organizations, including industry research organizations.

#### SEC. 4. PIPELINE INTEGRITY TECHNICAL ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—The Secretary of Transportation shall enter into appropriate arrangements with the National Academy of Sciences to establish and manage the Pipeline Integrity Technical Advisory Committee for the purpose of advising the Secretary of Transportation and the Secretary of Energy on the development and implementation of the five year research, development and demonstration program plan as defined in Sec. 3(e). The Advisory Committee shall have an ongoing role in evaluating the progress and results of the research, development and demonstration carried out under this Act.

(b) MEMBERSHIP.—The National Academy of Sciences shall appoint the members of the Pipeline Integrity Technical Advisory Committee after consultation with the Secretary of Transportation and the Secretary of Energy. Members appointed to the Advisory Committee should have the necessary qualifications to provide technical contributions to the purposes of the Advisory Committee.

#### SEC. 5. AUTHORIZATION OF APPROPRIATION.

(a) There are authorized to be appropriated to the Secretary of Transportation for carrying out this Act \$3,000,000 which is to be derived from user fees (49 U.S.C. Sec. 60125), for each of the fiscal years 2001 through 2005.

(b) Of the amounts available in the Oil Spill Liability Trust Fund (26 U.S.C. Sec. 9509), \$3,000,000 shall be transferred to the Secretary of Transportation to carry out programs for detection, prevention and mitigation of oil spills authorized in this Act for each of the fiscal years 2001 through 2005.

(c) There are authorized to be appropriated to the Secretary of Energy for carrying out this Act such sums as may be necessary for each of the fiscal years 2001 through 2005.

[From Current-argus.com, Aug. 23, 2000]

#### FAMILY REFLECTS ON LOST LOVED ONES

(By Pam Easton)

LUBBOCK.—She's had four days to try and understand why she lost 11 family members

to a pipeline explosion in southeastern New Mexico. Martha Chapman has come up with only one explanation so far—love.

"This family has lived together, loved together, camped together, fought together, but never once been without love," she said Tuesday from University Medical Center in Lubbock.

A fireball erupting from the explosion swept through the family's campsite along the Pecos River early Saturday morning, turning sand into glass and parts of a nearby bridge into powder.

Chapman and other relatives have kept a vigil for the sole survivor, Amanda Smith.

She remains in critical condition in the hospital's burn unit, suffering from burns over more than 20 percent of her body and smoke inhalation that has caused heart and kidney problems.

Amanda Smith's brother, Jerry Rackley, said those who died are together again after doing what they loved best: camping, fishing and being with family.

Killed were Amanda Smith's parents, Don and Glenda Sumler; her father-in-law, Bobby Smith; her husband, Terry Smith; her son, Dustin; her daughter, Kirsten; her brother-and sister-in-law, Roy and Amy Heady; and their three children.

The losses have been staggering for everyone involved, but they will most likely be the hardest for Amanda Smith, Rackley said.

"We need her," Chapman said, weeping. "She is my son's wife. She is my daughter."

A similar vigil was kept for Bobby Smith, Amanda's father-in-law, who died Monday.

Chapman said the family has managed to face each day by sharing prayers and memories, knowing that those who died are now together with God. "That is why so many of us have left this earth together," Chapman said. "When we were placed on this earth, we were already genetically linked. Our lives were already intertwined by God."

El Paso Natural Gas, which owned the pipeline, has put the family up in hotels, fed them, clothed them and made sure they go without any wants or needs.

Rackley said extended family members who have traveled to the hospital have eased everyone's pain.

"There are faces here that I've never seen before," he said. "But they are family. They have a place in my heart and they always will."

[From A service of the Albuquerque Journal, September 5, 2000]

#### LAST PIPELINE VICTIM DIES

CARLSBAD, N.M.—Amanda Smith, the only survivor of a pipeline explosion that killed 11 members of her extended family Aug. 19, died Tuesday in a Lubbock hospital.

Smith, 25, lost her husband and two children in the fiery blast that engulfed the family's campsite near Carlsbad.

Her brother and Smith family members were with her when she died at 12:35 p.m. CDT, said Gwen Stafford, vice president of University Medical Center in Lubbock.

Stafford said Smith never regained consciousness at the Texas hospital.

The pipeline owned by El Paso Energy Company blew up along the Pecos River 25 miles south of Carlsbad, sending a 350-foot-fireball into the sky and billows of flame into the nearby campsite.

Amanda Smith and her father-in-law, Bobby Smith, 43, were sent to the Lubbock hospital, where Bobby Smith died August 21.

Also killed were Amanda Smith's husband, Terry, 23; his 3-year-old son, Dustin; her daughter, Kirsten Sumler, 5; her parents,

Don Sumler and Glenda Sumler, 47, of Lovington; and Roy Lee Heady, 20; his wife Amy, 18, of Artesia, and their three daughters, 22-month-old Kelsey and 6-month-old twins Tamber and Tamber.

National Transportation Safety Board investigators have not determined what caused the explosion and said it could take up to a year to prepare a report. However, they said investigators, at the scene found that corrosion inside the damaged pipeline had eaten away half of the pipe's wall in places.

Bobby Smith's wife, Jennifer, filed a federal lawsuit Aug. 30 in Albuquerque, alleging El Paso Natural Gas "failed to properly comply with state and federal rules, regulations, opinions and orders while operating an interstate gas transmission line" near the intersection of the Delaware and Pecos rivers in Eddy County.

The gas company also failed to "properly inspect, maintain, and operate their interstate gas transmission line," which led to the explosion and fire, the lawsuit said.

By Mr. ASHCROFT (for himself, Mr. HAGEL, and Mr. ABRAHAM):

S. 3003. A bill to preserve access to outpatient cancer therapy services under the medicare program by requiring the Health Care Financing Administration to follow appropriate procedures and utilize a formal nationwide analysis by the Comptroller General of the United States in making any changes to the rates of reimbursement for such services; to the Committee on Finance.

#### CANCER CARE PRESERVATION ACT

Mr. ASHCROFT. Mr. President, in recent years, our nation has achieved tremendous advances in its War on Cancer—including developing breakthrough therapies and expanding the cancer care delivery system of convenient and low-cost community settings. This progress has enabled us to achieve an unprecedented reduction in American cancer deaths, which began in 1998.

Today, 90% of all chemotherapy treatments are delivered in community settings like doctors' offices and outpatient hospital settings. Two important components of Medicare reimbursement for outpatient cancer treatments support these community care sites: payment for drugs themselves; and payment for the services of the physicians, nurses, and other caregivers who treat patients with cancer.

Unfortunately, the Health Care Financing Administration has targeted outpatient cancer therapy services for deep budget cuts. HCFA has proposed to reduce drastically Medicare reimbursement rates for cancer drugs by unilaterally changing the definition of "average wholesale price," which is at the heart of the current reimbursement formula. While there are indications that drug reimbursements have often exceeded doctors' and hospitals' costs, these margins have been used to help cover costs for professional services, which are inadequately reimbursed according to the cancer community, the General Accounting Office, and HCFA

itself. Yet HCFA has not made any adjustments in these professional services payments.

The planned cuts in Medicare reimbursement rates threaten to force doctors to send seniors with cancer out of the community settings where they now receive care and into more expensive in-patient settings. As a result, seniors may lose the option of receiving cancer treatments from the caregivers of their choice in settings that are close to the support structure of family, friends, and community. In addition, since the cost of cancer treatments are generally higher in hospital in-patient settings than they are in outpatient settings, this ill-conceived proposal to force seniors into hospitals will actually cause Medicare spending to rise.

Mr. President, I have heard from many Missourians—doctors, patients, and hospital officials—about how the Administration's planned cuts in Medicare outpatient cancer care reimbursement rates will negatively impact patient care. I would like to share with my colleagues what some of them have told me.

Dr. Burton Needles of St. Louis wrote to me to say that his patients prefer receiving chemotherapy in his office rather than in the hospital, but that the planned cuts would make it impossible for him to continue treating Medicare cancer patients in his office. On the other side of the state in Kansas City, Dr. Christopher Sirridge said that the result would be less accessible care for seniors with cancer, and even higher costs for the Medicare program.

In Columbia, officials at the Ellis Fischel Cancer Center have told me that HCFA's change in reimbursement rates would make it extremely difficult for them to continue to be a source of chemotherapy and supportive care for cancer patients.

And, finally, Mr. President, let me share the words of a cancer patient, Darlene Bahr, from St. Louis. Ms. Bahr wrote to me: "I have been fighting cancer for 18 years. This is the fourth time I have cancer. I have been on a total of four years of chemo, which had been successful. I am now on chemo and hope it will be successful again." Ms. Bahr continues: "If the physician's office and the hospital cannot afford to give me these drugs, where will I get them? Does Medicare want to eliminate cancer care?"

Mr. President, Medicare beneficiaries like Ms. Bahr—who are facing battles against cancer—must not be saddled with the added burden of worrying about whether they will receive the care they need, in the setting they choose. Many doctors have communicated to HCFA and Congress that the Administration's plan to cut payments for cancer-fighting drug treatments will likely prevent doctors from delivering outpatient cancer care—leaving

thousands of seniors without this preferred, and lower cost, option.

Congress must act to ensure that our progress in cancer treatment is not undermined by bureaucratic, inappropriate changes to Medicare reimbursement rates for cancer care.

Therefore, Mr. President, today, I am introducing the Cancer Care Preservation Act, which will guarantee that HCFA cannot implement any reductions to Medicare reimbursement for outpatient cancer treatment unless those changes are developed in concert with the General Accounting Office, the Medicare Payment Advisory Commission, and representatives of the cancer care community, including patients, survivors, nurses, physicians, and researchers; provide for appropriate payment rates for outpatient cancer therapy services, based upon the determinations made by the General Accounting Office; and are authorized by an act of Congress.

My legislation also will require GAO to complete a formal nationwide analysis to determine the physician and non-physician clinical resources necessary to provide safe outpatient cancer therapy services. In addition, GAO must determine the appropriate payment rates for such services under the Medicare program.

Medicare beneficiaries with cancer must be confident that they will continue to receive the care they need, in the setting they choose, without risk of arbitrary and unexpected reductions in reimbursement that may force their doctors to cease offering treatment or refer them to a different facility for treatment.

So today, I urge my colleagues to join with me in ensuring that our seniors receive full access to the life-saving therapies they need in the settings they choose, by cosponsoring the Cancer Care Preservation Act.

Mr. President, I ask unanimous consent that the Cancer Care Preservation Act be printed in the RECORD immediately following my remarks.

I yield the floor.

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

S. 3003

*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 "Cancer Care Preservation Act of 2000".

#### SEC. 2. FINDING.

Congress finds that in light of the tremendous advances achieved by this Nation in its war on cancer, including the development of breakthrough therapies, the expansion of the cancer care delivery system to convenient and low-cost community settings, and the unprecedented annual reduction in American cancer deaths beginning in 1998, legislation is needed to ensure that these advances are not undermined by inappropriate changes to rates of reimbursement for outpatient cancer

therapy services under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

**SEC. 3. PRESERVATION OF REIMBURSEMENT RATES FOR OUTPATIENT CANCER THERAPY SERVICES.**

Notwithstanding any other provision of law, the Administrator of the Health Care Financing Administration may not implement any reduction to the rates of reimbursement for outpatient cancer therapy services under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.), unless such reductions—

(1) are developed in consultation with the Comptroller General of the United States, the Medicare Payment Advisory Commission established under section 1805 of such Act (42 U.S.C. 1395b-6) (in this Act referred to as "MedPAC"), and representatives of the cancer care community, including patients, survivors, nurses, physicians, and researchers;

(2) provide for appropriate payment rates for outpatient cancer therapy services, based upon the determinations made by the Comptroller General of the United States in the nationwide analysis required under section 4 of this Act; and

(3) are authorized by an Act of Congress.

**SEC. 4. FORMAL NATIONWIDE ANALYSIS OF CLINICAL RESOURCES NECESSARY TO PROVIDE SAFE OUTPATIENT CANCER THERAPY SERVICES.**

(a) ANALYSIS.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a nationwide analysis to determine the physician and non-physician clinical resources necessary to provide safe outpatient cancer therapy services and the appropriate payment rates for such services under the medicare program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).

(2) ISSUES ANALYZED.—In conducting the analysis under paragraph (1), the Comptroller General of the United States shall determine—

(A) the adequacy of practice expense relative value units associated with the utilization of those clinical resources;

(B) the adequacy of work units in the practice expense formula; and

(C) the necessity for an additional reimbursement methodology for outpatient cancer therapy services that falls outside the practice expense formula.

(3) CONSULTATION.—In conducting the analysis under paragraph (1), the Comptroller General of the United States shall consult with Administrator of the Health Care Financing Administration, MedPAC, and representatives of the cancer care community, including patients, survivors, nurses, physicians, and researchers.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to Congress on the analysis conducted under subsection (a) together with recommendations for such legislative and administrative action as the Comptroller General of the United States determines appropriate.

By Mr. INOUE:

S. 3004. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for the conversion of cooperative housing corporations into condominiums; to the Committee on Finance.

**TO PROVIDE TAX RELIEF FOR THE CONVERSION OF COOPERATIVE HOUSING CORPORATIONS INTO CONDOMINIUMS**

Mr. INOUE. Mr. President, today I rise to introduce legislation that would amend the Internal Revenue Code of 1986 to allow Cooperative Housing Corporations (Co-ops) to convert to condominium forms of ownership without any immediate tax consequences.

Under current law, a conversion from cooperative shareholding to condominium ownership is taxable at a corporate level as well as an individual level. The conversion is treated as a corporate liquidation, and therefore taxed accordingly. In addition, a capital gains tax is levied on any increase between the owner's basis in the co-op share pre-conversion and the market value of the condominium interest post-conversion. This double taxation dissuades condominium conversion because the owner is being taxed on a transaction that is nothing more than a change in the form of ownership. While the Internal Revenue Service concedes that there are no discernible advantages to society from the cooperative form of ownership, it does not view Federal tax statutes as having the flexibility to allow co-ops to re-organize freely as condominiums.

In cooperative housing, real property ownership is vested in a corporation, with shares of stock for each apartment unit, that are sold to buyers. The corporation then issues a proprietary lease entitling the owner of the stock to the use of the unit in perpetuity. Because the investment is in the form of a share of stock, investors sometimes lose their entire investment as a result of debt incurred by the corporation in construction and development. In addition, due to the structure of a cooperative housing corporation, a prospective purchaser of shares in the corporation from an existing tenant-stockholder has difficulty obtaining mortgage financing for the purchase. Furthermore, tenant-stockholders of cooperative housing also encounter difficulties in securing bank loans for the full value of their investment.

As a result, owners of cooperative housing are increasingly looking toward conversion to condominium ownership regimes. Condominium ownership permits each owner of a unit to directly own the unit itself, eliminating the cooperative housing dilemmas of corporate debt that supersedes the investment of cooperative housing share owners, and other financial concerns.

The legislation I introduce today will remove the penalty of double taxation from the cooperative housing to condominium ownership, and will greatly benefit co-op owners across the Nation. I urge my colleagues' consideration and support for this measure.

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

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

S. 3004

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

**SECTION 1. NONRECOGNITION OF GAIN OR LOSS ON DISTRIBUTIONS BY COOPERATIVE HOUSING CORPORATIONS.**

(a) IN GENERAL.—Section 216(e) of the Internal Revenue Code of 1986 (relating to distributions by cooperative housing corporations) is amended to read as follows:

“(e) DISTRIBUTIONS BY COOPERATIVE HOUSING CORPORATIONS.—

“(1) IN GENERAL.—Except as provided in regulations—

“(A) no gain or loss shall be recognized to a cooperative housing corporation on the distribution by such corporation of a dwelling unit to a stockholder in such corporation if such distribution is in exchange for the stockholder's stock in such corporation, and

“(B) no gain or loss shall be recognized to a stockholder of such corporation on the transfer of such stockholder's stock in an exchange described in subparagraph (A).

“(2) BASIS.—The basis of a dwelling unit acquired in a distribution to which paragraph (1) applies shall be the same as the basis of the stock in the cooperative housing corporation for which it is exchanged, decreased in the amount of any money received by the taxpayer in such exchange.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions after the date of the enactment of this Act.

**ADDITIONAL COSPONSORS**

S. 345

At the request of Mr. ALLARD, the name of the Senator from Rhode Island (Mr. L. CHAFEE) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 482

At the request of Mr. ABRAHAM, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 482, a bill to amend the Internal Revenue Code of 1986 to repeal the increase in the tax on the social security benefits.

S. 522

At the request of Mr. LAUTENBERG, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from Hawaii (Mr. AKAKA) were added as cosponsors of S. 522, a bill to amend the Federal Water Pollution Control Act to improve the quality of beaches and coastal recreation water, and for other purposes.

S. 631

At the request of Mr. DEWINE, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 631, a bill to amend the Social Security Act to eliminate the time limitation on benefits for immunosuppressive drugs under the medicare