July 19, 2001

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. Bonilla). Will the gentlewoman from West Virginia (Mrs. Capito) come forward and lead the House in the Pledge of Allegiance?

Mrs. CAPITO 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.

ANNOUNCEMENT BY SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one 1-minute speech prior to the beginning of legislative business today.

THE REVEREND WILLIAM VANDERBLOEMEN

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

Mr. Burr of North Carolina. Mr. Speaker, today I rise to welcome the Reverend William Vanderbloemen to the House Chamber. I have known William's family since my football-playing days at Wake Forest, and it is a pleasure to have such a fine young man here to lead us in prayer as we begin this day's work.

William is a native of Lenoir, North Carolina, and attended Wake Forest University and graduated in 1992 with a degree in history. He then attended seminary at Princeton where he received his Masters in Divinity in 1995, with the goal of becoming a professor or scholarly author; but as his studies intensified, it became clear to him that he would call the pulpit his home.

Mr. Speaker, the Presbyterian faith is better because of his choice. Upon graduating Princeton, William took an associate pastorate at First Presbyterian Church in Hendersonville, North Carolina. After a successful campaign in the mountains of North Carolina. After a successful campaign in the mountains of North Carolina, William received a call from Memorial Presbyterian Church in Montgomery, Alabama, to be its head minister.

Memorial Presbyterian Church is a church with a place in the history of the civil rights movement of the last half of the 20th century. Opening shortly after World War II, in the middle of the 1950s, it was the first church in Montgomery to desegregate by offering open seating to members of both races. During the last two decades, Memorial has seen many changes, some causing divisions within the church family. In fact, when Reverend Vanderbloemen took over in Memorial in 1998, they were meeting in a local YMCA, and 150 members in attendance was a good Sunday. Since 1998, membership has tripled and new buildings on its new location on the east side of Montgomery. William founded the InStep Ministries, a series of syndicated radio spots aired daily and some stations; and one of the radio pieces prevented a suicide and that person is now a member of Memorial Presbyterian Church.

William serves on the board of the Presbyterian Coalition, a national gathering of leaders within the Presbyterian Church U.S.A., as well as the Ministerial Board of Advisors to the Reformed Theological Seminary. He and his wife, Melissa, have three children, Matthew who is here with us today, as are Mary and Sarah Catharine.

Mr. Speaker, I know all my colleagues join me in welcoming Reverend Vanderbloemen and thanking him for offering this morning's prayer.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed a bill and concurrent resolutions of the following titles in which the concurrence of the House is requested:

S. 1190. An act to amend the Internal Revenue Code of 1986 to rename the education individual retirement accounts as the Coverdell education savings accounts.

S. Con. Res. 34. Concurrent resolution congratulating the Baltic nations of Estonia, Latvia, and Lithuania on the tenth anniversary of the end of their illegal incorporation into the Soviet Union.

S. Con. Res. 53. Concurrent resolution encouraging the development of strategies to reduce hunger and poverty, and to promote free market economies and democratic institutions in sub-Saharan Africa.

Mr. Speaker, to quote the chairman of the Committee on Ways and Means, House Resolution 196 is an “appropriate” and fair rule providing for the consideration of H.R. 7, the Community Solutions Act. It is consistent with previous rules that our committee has reported and the House has adopted on legislation that amends the Tax Code. This rule provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Ways and Means.

After general debate, it will be in order to consider a substitute amendment ordered by the Committee on Rules accompanying this resolution, if offered by Representative Hall of New York, Representative Conyers of Michigan, or a designee, which shall be in order without amendment or point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and opponent, and (2) one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. Bonilla). Will the gentlewoman from Ohio (Ms. Pryce) recognize me for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield you customary 30 minutes to the gentleman from Ohio (Mr. Hall), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

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Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield you customary 30 minutes to the gentleman from Ohio (Mr. Hall), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, before I go any further, let me take this opportunity to congratulate the gentlewoman from Oklahoma (Mr. Watts) and the gentleman from Ohio (Mr. Hall) for all their hard work on this legislation. They are certainly dedicated leaders in the quest to help the poor and the needy, both here and abroad. As our former President George W. Bush has stated, the Community Solutions Act will allow us “to enlist, equip, enable, empower, and expand the heroic works of faith-based and community groups all across America.”

The Community Solutions Act features three primary provisions to encourage charitable works. First, it provides important tax incentives to increase charitable giving by allowing
Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I want to thank the gentlewoman from Ohio (Ms. PRICE) for yielding me the time, and I yield myself such time as I may consume.

This is what they call a modified closed rule that will allow for consideration of H.R. 7, the Community Solutions Act of 2001, which supports the President's faith-based initiative. As my colleague has described, this rule permits a Democratic substitute and a motion to recommit. This is similar to other rules for tax-related bills.

When the gentleman from Oklahoma (Mr. WATTS) and the White House asked if I would be interested in sponsoring this faith-based initiative, I did not hesitate. It was not much of a stretch for me. They told me people have said, a no-brainer. I did not have to think too long or hard about it because I have had a lot of experience with faith-based programs and people of faith. I admire them and what they do.

I am involved with this issue because I am determined to see an end to hunger in America. My experience with faith-based programs in my hometown of Dayton, Ohio, in Appalachia, here in the District of Columbia and in other countries has shown me that people who work in the field are not just dedicated, they are inspired. They feel called by their faith to make a difference. One of the values of that calling is that it brings new perspectives and encourages creativity and ingenuity.

Over the July 4th recess, I traveled to East Timor and Indonesia and visited poverty alleviation projects. I toured squalid neighborhoods in Jakarta where hundreds of thousands of people lived in dumps and in conditions not fit for humans. As I visited these projects where repugnant smells were everywhere and hunger and sickness were rampant, I asked the workers why they did this work that they did. I knew what they were going to say to me, because when I ask this question, whether I am in Indonesia; Dayton, Ohio; or rural Appalachia, I always get the same answer. They tell me what motivates them is their faith. I ask them if they tell people about their faith. They say, “We don’t have to.” “We don’t have to proselytize or force a sermon on them,” they answer. “Our faith speaks for itself. We love the people. They respond to our love. And they respond to our programs. They recognize our faith by the work that we do without us forcing it down their throats.”

This bill specifically prohibits Federal funds from being used for sectarian purposes. We need to include everybody in this fight if we ever hope to win the battle against poverty. That
Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. GEKAS), a member of the Committee on the Judiciary. Mr. GEKAS. Mr. Speaker, I rise in support of the bill that we have before us and for the debate that follows.

At first I had been considering appearing before the Committee on Rules to try to make in order some kind of amendment that would prevent cults and other fringe groups or groups that would gather together and form for the purpose of trying to take advantage of the new programs, new spending programs, that would be accorded by this legislation. Since then, in reviewing the legislation and in conferences with other Members and with other individuals outside the Congress, I am convinced that a so-called cult cannot succeed in applying or qualifying for one of these programs.

Why? It is a certainty that these programs are going to be based on the experience and track records mostly of existing faith-based organizations, rather than doing the kind of work we contemplate for years. So we have a foundation upon which these programs can be based.

In conversations with the gentleman from Wisconsin (Mr. GREEN), who did an extensive study of these very same questions, he further satisfied me that my worries about cults being eligible for these programs is not founded on reality.

So, I have no need, did have no need, have no need now, to try to add provisions to this to guard specifically against the dangerous cult, as I view it.

Mr. Speaker, I am satisfied that the rule will allow for a full debate that will encompass all the purposes of the legislation, without indulging in allowing loopholes for fringe groups to enter the process.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, this rule is terribly unfair. The gentleman from Ohio said, well, this is how we treat tax bills. But this is hardly a tax bill. There is a very small piece of it that is tax related. The great bulk of it is the social service aspect. It is very important.

I am very proud of the work I have done with faith-based groups. I care a lot about housing, and the Catholic Archdiocese of Boston has a wonderful record in housing. In area after area, I have been proud to cooperate with them. But none of those organizations have told me that they needed the right to discriminate or ignore State and local anti-discrimination laws.

That is what this bill does. I will insert into the RECORD here pages from the transcript which will show the chairman of the committee is acknowledging that it preempts State and local anti-discrimination laws, and the gentleman from Florida (Mr. SCARBOROUGH) explaining why it is important that Jewish groups be allowed to discriminate in the serving of soup by not hiring non-Jews. I disagree with both of those positions. I wish we had ample time to debate them.

Mr. FRANK. There are further questions that we have. There is also this list, the non-discrimination statutes, that must be followed. They are the Federal statutes. Some States have decided to go beyond what the Federal Government has done in preventing discrimination, and I would ask, because it’s not clear to me, is this preemption of State employment discrimination laws other than those which might track the Federal one? I would yield to anyone who could give me the answer to that. By specifying the Federal anti-discrimination laws that apply, does this mean that State anti-discrimination laws which cover subjects not covered under Federal law would be preempted in effect, and the religious organizations would not have to apply—follow them? I would yield to anyone who would answer that.

Chairman SENSENBERGNER. Will the gentleman yield?

Mr. FRANK. Yes, Mr. Chairman. Chairman SENSENBERGNER. Will the gentleman yield?

Mr. FRANK. So it would preempt State laws or allow them to?

Chairman SENSENBERGNER. It would allow them to ignore State laws when Federal—only Federal funds are used, but would not allow them to ignore State laws when Federal funds are used.

Mr. FRANK. What if there was a mix of Federal funds and private funds?

Chairman SENSENBERGNER. Then they could ignore State laws.

Mr. FRANK. That seems to me to be a serious flaw and hardly consistent with the special States’ rights professions that we hear from the other side. The principle ought not to be that you can get out of following a State’s enactment because you have accepted Federal funds. It has been very straightforwardly made it clear. If you get some Federal funds and you have some of your own funds, you might—not might—you are then allowed to ignore a State law that would otherwise be binding on you. I do not think we ought to be embodying the principle that the acceptance of Federal funds somehow then cancels State law.

There are a number of things. For instance, the States get highway money from the Federal Government. Does that principal apply? Should we then say that a State highway department can ignore its State’s own laws with regard—or contractors getting the State highway money? That, really, frankly, surprises me in the very radical nature of a repudiation of what the State can do. In other words, you are in the State and you have a policy that there will not be discrimination based on race or sex, and you can do that, and the Federal Government does. And an organization in your State, which decides to do a program, and it’s got 70 percent of Federal funds, and then it gets 30 percent of the Federal money, that Federal money now becomes a license to ignore State anti-discrimination law. If there’s a conflict between the Federal law, would the Federal apply, but I had not previously thought it would be
Chairman SENSENBRENNER. The Chair is prepared to declare a 30-second recess.

Mr. SCARBOROUGH. Why is that?

Chairman SENSENBRENNER. So that nobody explodes. We don't want that to happen.

Mr. SCARBOROUGH. I love Ms. Waters—[Laughter.]

Mr. SCARBOROUGH. I love Ms. Waters. She hugs me on the floor every chance she gets. That's why she got up. She couldn't resist herself. [Laughter.]

But there is a culture, seriously, there is an inherent culture in these organizations, like, for instance, and I'll talk about my church. I disagree with a lot of things they believe about people who are divorced not being able to be deacons or, or women not being able to preach, all right. But I know that there are Southern—and if that offends me, I can take a hike. But there are, even though I disagree with some of the things that people in the Southern Baptist Church believe in, they can effectively deliver services because of the culture of whether it's First Baptist Church of Pensacola or——

Mr. WEINER. Will the gentleman yield on that point?

Mr. SCARBOROUGH. Yes, sir, I will.

Mr. WEINER. Would the gentleman yield on that? And I'm convinced the Southern Baptist Church can deliver those under this bill.

Perhaps you can enlighten me, and using the example of the Southern Baptist Church or whatever, someone up here, someone who has been in for a job interview to work in a job training program to teach typing to someone who had been laid off——

Mr. SCARBOROUGH. Right.

Mr. WEINER. Why is it, give me an example, just so I can fully get my mind around it, why is it necessary that they be Baptist and why is it not only necessary, why is it so important to this program that it means of-fending 35 or 40 Members around here who might be willing to make this a bill that 300 people can vote for?

Mr. SCARBOROUGH. Yeah, well, I don't think it's—reclaiming my time—I don't think it's necessary. And, obviously, I think most of us on this panel, I would hope, would agree that it would be extraordinarily bigoted for any organization, be it a faith-based or secular organization, to prevent people from being hired. But I think the biggest concern is compelling, for instance, a synagogue in a certain area to hire a fundamentalist, right wing, religious, whatever, that would, after all——

Mr. WEINER. Typing teacher?

Mr. SCARBOROUGH. Hold on a second. Hold on a second.

Mr. WEINER. What does a right-wing typing teacher do, only type with the right hand?

Mr. SCARBOROUGH. We're talking about, and again——

Mr. WEINER. Typing teacher?

Mr. SCARBOROUGH. Again, if you want to get laughs, that's fine, but, for instance, de-
Mr. Speaker, I first want to thank Chairman Thomas, along with Congressman Watts, for giving consideration to my H.R. 804—a bill to modify the excise tax on the net investment income for private foundations. I would also like to thank my colleagues who have cosponsored this legislation.

Though, of course, full repeal of the 2 percent excise tax on private foundations would have been preferable, I want to thank my friends on the Ways and Means Committee for eliminating the two-tiered system and simplifying the tax to a flat 1 percent.

The tax was originally enacted in the Tax Reform Act of 1969 as a way to offset the cost of government audits of these organizations. In 1990, the excise tax raised $204 million and the IRS conducted 1,200 audits of private foundations. In 1999, the last year for which figures are available, the excise tax raised $498.6 million with the IRS conducting 191 audits.

Private foundations generally must make annual distributions for charitable purposes equal to roughly 5 percent of the fair market value of their charitable assets. The excise tax paid acts as a credit in reducing the 5 percent requirement.

So for folks to come on the House floor and say vote against the rule because this is not fair, this is a great constitutional question, that is not true. However, President Clinton already signed into law four of these Charitable Choice pieces of legislation.

Mr. Speaker, I am here because contained in the base bill, I have a bill that was incorporated, and I want to thank the gentleman from California (Chairman Thomas) and the gentleman from Oklahoma (Mr. Watts) for giving consideration to my bill, which repeals the excise tax on the net investment income for private foundations. I would also like to thank my colleagues who have cosponsored this legislation.

Though, of course, full repeal of the 2 percent excise tax on private foundations would have been preferable, I want to thank my friends on the Committee on Ways and Means for eliminating the two-tier system and simplifying the tax to a flat 1 percent.

We have crafted a measure that affords people in big cities and small towns across the country the opportunity to receive these services from the people who know them best, their faith-based institutions that already are the core of their communities. In a civil society in our democracy we tolerate the views and religions of others. In this spirit, I believe we can allow faith-based institutions to be our partners in communities. Indeed, they already are.

Ms. Pryce of Ohio, Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Florida (Mr. Stearns).

Mr. Stearns. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I appreciate the opportunity presented because of this bill being introduced could not have impressed my strong support of H.R. 7, the Community Solutions Act of 2001. This bill is long overdue.

I come from a small town in rural Mississippi called Bassfield, population 350, where a few hundred families who work hard every day. I invite you and my colleagues to visit Bassfield and see what it is like in a real small town outside the Beltway. In my town, churches and other houses of worship and religious institutions are the bedrock of the community. This is true in small towns and big cities across the country.

Where I come from, faith and family are common values; and, unlike Washington, when people in Bassfield need help, they do not look to the Government first, they look to the family and neighbors.

We cannot put a fence around the churches in Bassfield or anywhere else. It is because religious institutions are and will always be central to the lives of our communities. They do it because it is the right thing to do, and they do it well.

It does not make sense to reinvent the wheel to establish government programs to provide services in communities where services already exist in an overzealous effort to isolate religious from public policy.

We must respect the foresight of our Founding Fathers, who knew that our new democracy could not permit one religion to prevail over others. But they also knew that our country was funded on the basic freedom to express one's religion, not to silence it. While we must respect the separation of church and State, we must also respect the rights of people of faith.

Mr. Speaker, we always walk a fine line when we consider religion and public policy in the same breath; but in the Community Solutions Act, I believe we have crafted a bill that respects the separation of church and State, and, at the same time, tolerates the rights of all Americans to practice their religion.
these limitations. The answer is that the funding is always going to be there and therefore will not allow discrimination or will we open the process and ferret out discrimination.

Charitable Choice is about funding affective public services, not religious worship. It explicitly states that no direct funds “may be expended for sectarian worship, instruction or proselytization.” While securing this separation does also allow “conversion-centered” groups to participate via vouchers. This is nothing new in Federal law. Since 1990, low-income parents have used vouchers to enroll their children in thoroughly religious child-care services.

This voucher option is critical for beneficiaries because when helping needy Americans one size does not fit all.

Charitable Choice offers assistance in both the form of vouchers (to recipients) and grants (to organizations) to fund civic assistance programs. This is consistent with the President’s objective to unleash private money for public good. It establishes charitable giving incentives for taxpayers to increase the level of money given directly to public service organizations.

Charitable Choice allows faith-based and secular civic organizations to compete on the basis of the same criteria. Charitable Choice asks the question, “What can you do?” rather than “Who are you?” It holds both the religious and secular civic organizations to the same standard. Results.

It is time that the Federal Government devise a constitutional means by which religious organizations are brought to the table equally states that no direct funds “may be expended for sectarian worship, instruction or proselytization.” The purpose of this office is to correct that this bill is different, it actually states that no direct funds “may be expended for sectarian worship, instruction or proselytization.” The purpose of this office is to correct that this bill is different, it actually states that no direct funds “may be expended for sectarian worship, instruction or proselytization.” The purpose of this office is to correct that this bill is different, it actually states that no direct funds “may be expended for sectarian worship, instruction or proselytization.”

The gentleman for yielding me this time. I might say about the gentleman, he is a champion, not only in the United States but worldwide, when it comes to hunger and poverty. I raise today in support of the rule, in support of H.R. 7, the Community Solutions Act of 2001. The heart of the so-called faith-based program would allow religious organizations to bid for Federal funds to feed the hungry, fight juvenile crime, assist older Americans, aid students, and help welfare recipients find work, among other charitable activities. I applaud the tremendous work that faith-based organizations have done to provide much-needed services to our communities.

Organizations such as the Nashville Rescue Mission in my district offer a hand up to those in need without any influx of Federal dollars. This legislation would give these other groups the opportunity to compete for such funds should they so desire. These important faith-based service programs no doubt play an extremely important role in transforming lives as they daily reach out to the less fortunate in Tennessee and across the Nation. The time has come to recognize these unique entities by passing charitable choice legislation.

Charitable choice simply means equal access by faith-based organizations when they compete with other organizations for Federal social service contracts. Nothing is guaranteed. They must compete with everyone else and demonstrate their proven effectiveness in providing basic social services before they will be awarded Federal grants. Charitable choice is not a new idea. Existing charitable choice programs and national programs across the country have benefited thousands of people.

Faith-based organizations have long been on the front lines helping our communities’ most needy and broken. They have taken on the challenges of society that others have left behind. It is time that the Federal Government
recognized the work they do and assist
in need. That Catholic education has
Matthew to minister to the needs of
from California (Ms. PELOSI).

Mr. Speaker, I would like my col-
leagues to join me in a little visualiza-
tion, the Members that are gathered
here and perhaps others here in the
Chamber. This story, I will give credit,
came from John Fund who is an edi-
torial writer, and I would like you all
to close your eyes for a minute if it
makes it easier. Imagine for a minute
that you go home today and open your
mail and there is a letter there from an
attorney who is a long ways away, and
as you read that letter you realize that
you have been named an heir to an
enormous fortune that you did not even
know existed and, all of a sudden,
you are wealthy beyond your wildest
dreams. Think about that for just a
minute. You think, this is a windfall. I
would like to take a significant portion
of this money that I did not know I was
going to get and I would like to put it
into something that will help the less
fortunate. Think about that for a
minute. What would you do with that
windfall? How would you help the less
fortunate?

Now, be honest. How many of you,
the first thing you thought of was, I
know, I will give the money to the Fed-
eral Government.

Now, you might have thought about
giving the money to the Salvation
Army, you might have thought about
giving it to the Red Cross, to a church
group, to some other organization, but
I will guarantee very few people gath-
ered here in this Chamber today, very
few Americans, the very first thing
they would have said is, I know, I will
give the money to the Federal Govern-
ment.

That is what this bill is really all
about. Let us give faith a chance. We
all know deep down in our bones that
we have wasted billions of dollars over
the last 20 or 30 years in failed social
programs run by the Federal bureau-
cracy. This bill simply says is, give
faith a chance.

Mr. HALL of Ohio. Mr. Speaker, I
yield 1 minute to the gentlewoman
from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, my hus-
band, my children and I have among us
100 years of Catholic education. That
education has taught us our respon-
sibilities to the poor and the mission of
the Gospel of Matthew. Indeed, the
gentleman from Ohio (Mr. HALL) is the
living testament of the gospel of
Matthew to minister to the needs of
the hungry, the homeless, and others
in need. That Catholic education has
also taught us to oppose discrimination
in every place in our country. That is
why I have to oppose this legislation, H.R. 7, that is before us today.

Ms. PRYCE of Ohio. Mr. Speaker, I
yield 1 1⁄2 minutes to the gentleman
from Minnesota (Mr. GUTKNECHT).

Mr. GUTKNECHT. Mr. Speaker, I
thank the gentlewoman for yielding me
this time.

Mr. Speaker, I would like my col-
leagues to join me in a little visualiza-
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yield 1 minute to the gentlewoman
from California (Ms. PELOSI).

Ms. PRYCE of Ohio. Mr. Speaker, I
yield 1 minute to the gentlewoman
from California (Ms. PELOSI).

Mr. Speaker, I yield 2 minutes to the
gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I
feel like I am caught between a rock
and a hard place. I say that because I
support the concepts of faith-based ini-
tiatives. I support the elements of this
legislation. I think it is going to go a
long way towards finding solutions and
helping address some of the many so-
cial ills and problems.

On the other hand, I do not believe
that we can allow any hint of discrimi-
nation or the opportunity to discrimi-
nate against any segment of our popu-
lotion, no matter whether we are deal-
ing with race, color, national origin,
sexual orientation, it matters not. Each
and every human being in this
country must feel that they have equal
protection under the law, must know
that they are not going to be discrimi-
nated against.

As chairman of the Committee on
Education and the Workforce, I am
pleased that the legislation clearly in-
dicates that faith-based organizations
will be able to compete to provide serv-
ces under several programs within our
committee’s jurisdiction. Every day
throughout our Nation, community
and faith-based organizations are play-
ing a key role in meeting the needs of
many Americans. Whether operating a
soup kitchen, helping to build homes,
providing child care, or providing
training to welfare recipients, commu-
nity and faith-based organizations are
reaching out to others, and, in doing
so, improving the quality of life for
many Americans.

President Bush has called them “ar-
myes of compassion”; and, indeed, these
organizations have demonstrated com-
passion on many fronts: caring for chil-
dren after school, providing emergency
food and shelter, offering mentoring
and counseling, uplifting families of
prisoners, and helping to rescue young
men and women from gangs and violence.

While many of these organizations have had success, some faith-based organizations have faced barriers in accessing Federal funds. H.R. 7, the Community Solutions Act, addresses this problem by making Federal programs friendlier to faith-based organizations. It will enable these organizations to compete for Federal funds and grants on the same basis as other organizations; and, in short, it will ensure that they have a seat at the table with other nonprofit providers.

Charitable choice is not a new idea, and over the past several years, Democrats and Republicans alike have voted for charitable choice in the Welfare Reform Act, the community services block grant law, and two substance abuse prevention programs under the Older Americans services act. The Community Solutions Act of 2001 represents a logical extension of these laws and would expand charitable choice to juvenile justice programs, housing programs, employment and training programs, child abuse and violence prevention programs, hunger relief activities, high school equivalency and adult education programs, after-school programs and programs under the Older Americans Act, as well as many more.

For those who might be concerned about the excessive entanglement of religion in the public domain, I submit that H.R. 7 is the right bill. H.R. 7 does not legalize religious discrimination or proselytizing, and a requirement for separate accounting for government funds.

Finally, if one objects to receiving services from a faith-based provider, alternative providers must be made available.

I think another important part of this legislation is the expansion of charitable deductions to those who do not itemize on their tax returns. One organization in my home State that would benefit from this change in tax law, as well as the charitable choice provisions, is Reach Out Lakota, located in West Chester, Ohio. This group began nearly 8 years ago after a one-time Christmas charity event, and now has expanded into a year-round organization which provides food, clothing, and other social services to about 45 families each month.

It is this kind of organization and this kind of involvement by community and faith-based organizations that I think is truly making a difference in the lives of many Americans. It is this kind of involvement that the Federal Government should be promoting and encouraging, the kind of involvement that H.R. 7 envisions.

I yield 2 minutes to the gentleman from New York (Mr. Nadler).

Mr. Nadler. Mr. Speaker, I rise in opposition to this rule because it forces Members who have genuine concerns about some very troublesome elements of the bill to raise all those concerns in a single substitute motion.

This rule permits not a single amendment to this bill to be heard on the floor. We will not be allowed to have clear votes on any of these questions, so the majority can shield from scrutiny the fiscal irresponsibility contained in this bill, the legislative green light in this bill for invidious discrimination, the nullification of State and local antidiscrimination laws contained in this bill.

Their effort to allow the administration to completely rewrite the billions of dollars of social service programs into vouchers, without any legislative investigation into what we are talking about, without congressional consideration, and allowing religious groups to subject the most vulnerable in our society to religious pressure and proselytizing using Federal dollars.

Why are they so afraid of open and unstrained debate on this bill that makes such radical changes to our laws regarding religious freedom and the provision of social services? Why are they afraid to have clean up or down votes on these various issues? Does it have anything to do with the fact that those radical proposals considered one by one might not pass this body? Does it have anything to do with the fact that they are having trouble holding their own Members in line to vote for legalizing religious discrimination with taxpayer dollars?

This is compassion? This is what the majority thinks of our first freedom? This is what the Republican leadership and the compassionate conservative in the White House think of the merits of this proposal, that they will not permit amendments to be introduced on the floor and considered and voted on?

This House should have the chance to look carefully at each of these issues within this bill separately. We should have the chance to vote on these issues separately. We should have the chance to consider separately the several radical changes this bill would make in the very good and satisfactory way that religious organizations have been competing for and winning and using Federal funds for providing social services for the last 6 or 7 decades.

Ms. Prtyce of Ohio. Mr. Speaker, I am pleased to yield 1½ minutes to my distinguished colleague, the gentleman from Ohio (Mr. Traficant).

Mr. Traficant of Ohio. Mr. Speaker, I also yield 1 minute to the gentleman from Ohio.

The SPEAKER pro tempore (Mr. Bonilla). The gentleman from Ohio (Mr. Traficant) is recognized for 2½ minutes.

Mr. Traficant. Mr. Speaker, let us cut to the chase here. Opponents say that the Constitution separates church and State. Let us get down to business. Both all legislative history clearly states and reflects the fact that the Founders’ intent was only to prohibit the establishment of one state-sponsored religion.

The Founders put God on our buildings, the Founders put God on our currency, and the Founders never intended to separate God and the American people.

Think about what is happening in America. We have guns, drugs, murder in our schools, but our government, we the people. Beam me up, Mr. Speaker. The Founders are rolling over in their graves.

I say today on the House floor, a nation that denies God is a nation that invites the devil and welcomes massive social problems, and that is exactly what is happening in America. Look around.

I stand here today in strong support of President Bush’s initiative. I want to commend the gentleman from Oklahoma (Mr. Watters) and the gentleman from Ohio (Mr. Hall) for their great leadership in taking America back to the intended course that our Founders had planned for our great Nation, founded on religious liberty.

We have let a few people in America decide what faith means. It is time to change that. This is the place to start.

I commend those who are responsible for this great initiative.

Mr. Hall of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. Lee).

Ms. Lee. Mr. Speaker, I thank the gentleman for yielding time to me.

Today I rise in strong opposition to this rule and this bill. As one who attended a Catholic school for 8 years, and a person of very deep faith, I believe faith-based organizations do enormous good in our communities, our country, and across the world helping millions of people. They feed the hungry, heal the sick, house the homeless.

Nonprofit religious organizations should be supported with increased funding and technical assistance. That is what charitable choice should do. There is not one cent in this bill to help these organizations in their noble work.

However, providing Federal funding directly to churches, synagogues, and houses of worship, mosques, which this bill does, represents direct government intrusion into matters of faith.
Government cannot and government should not interfere with the practice of religion.

This bill subjects houses of worship to government control. Mr. Speaker, the IRS will have a field day. This bill will allow government-sponsored discrimination. It tramples State and local civil rights laws, and allows the use of Federal taxpayer dollars to fund discrimination in employment.

For example, it would allow organizations to refuse to hire Jews, Catholics, African American Baptists, depending on their religious policies and practices of their denomination. It would use taxpayer funds to fund that discrimination.

That is intolerable. Our government cannot turn its back on decades of fighting against discrimination and start funding discrimination. I urge Members to oppose this rule.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to my friend and distinguished colleague, the gentleman from Georgia (Mr. KING).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I find it very interesting to serve in a body where the Committee on Rules I week decides that democracy is all about debating every single amendment separately, and then the very next week decides that it will not allow a separate debate on an amendment that would eliminate the ability of religious institutions to discriminate in their employment practices and remove the offensive provision that everybody is concerned about from this bill.

This is not a debate about government versus God. We made that choice when the Founding Fathers wrote into the Constitution “one Nation, under God,” and we have been living with that choice ever since.

But we made a different choice in 1965 when we outlawed discrimination in this country. It was not a unanimous decision by the Nation at that time, but I am appalled 20 or 40 years later now to be debating the issue of whether we will allow religious discrimination to be engaged in the delivery of some social services. The sky did not fall. For some reason, the sky is still up there.

All this does, H.R. 7, is say, we are going to take the 1996 bedrock signed by President Clinton and expand it to say that faith-based organizations who participate in some form of social services can be eligible to compete for Federal grants that fund such services.

Therefore, St. Paul’s A.M.E. Church in Savannah, Georgia, run by Reverend Delaney, in all of his services of food and shelter and education and health care and family structure and family counseling, what they are saying to him is, “Reverend Delaney, if you can divide the soup from the sermon, then what will it mean in the future for the pete for a grant to feed the hungry. And what really matters is the full stomach here. That is the Federal Government’s interest, not the conversion. You have to divide the soup in the sermon. But if you are doing a good job based on outcome, we are going to let you compete for that grant.” That is what the Federal Government interest is, the outcome.

If the Federal Government and all our Federal agencies were doing such a darned good job of delivering these services out of poverty, because since 1964 we have spent more on the war on poverty than we did to fight World War II.

It is not working. They need a helping hand. Let those who know the receipt, who live in the same ZIP Code and area code, let them compete for this money. They will do a good job.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I find it very interesting to serve in a body where the Committee on Rules I week decides that democracy is all about debating every single amendment separately, and then the very next week decides that it will not allow a separate debate on an amendment that would eliminate the ability of religious institutions to discriminate in their employment practices and remove the offensive provision that everybody is concerned about from this bill.

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The gentleman from Pennsylvania (Mr. TARAFICANT) said, “Beam me up.” I want to be beamed up on that false front. I want to be beamed up on that false premise.

I had hoped to offer the first amendment language as an amendment to this legislation, because I do not believe that we should be charged in this House with characterizing this debate as a question regarding our faith or our commitment to our Nation or to religious beliefs. I think it is important to understand that the Bill of Rights means something, that we cannot establish a religion through government. I certainly think that as this legislation moves through this House today, giving direct funds to religious institutions makes this legislation as a violation of the Bill of Rights.

I believe if we pass legislation that gives direct funds to religious institutions and then affirms the right of these religious institutions to discriminate as it relates to employment, we are doing the contrary to what the Founding Fathers determined in those early years. Might I say that in the story of the Good Samaritan it was a diverse individual that helped a different individual, used his religion, his commitment of faith and charity, but I do not believe he needed to have an establishment law of providing Federal funds to a certain religion to make him charitable.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, faith-based organizations currently play an important and vital role in providing needed social welfare programs; and we, as a government, wholeheartedly support this work.

In fiscal year 2000, faith-based organizations administered an estimated $1 billion in Housing and Urban Development assistance, Catholic Charities, Lutheran Services, Jewish Federation received subventant support from the Federal Government. But in order to get it, they agree not to discriminate. They simply comply with the structure established to comply with two of our Nation’s most fundamental principles, equal protection of the law and separation of church and State.

I have helped to establish many 501(c)(3)/s and wonderful organizations who do this work. A thousand religious leaders and organizations are opposed to H.R. 7, including American Baptist Churches USA, Office of Government Relations, Jewish Council on Public Affairs, Presbyterian Church USA, Episcopal Church, Unitarian Universalist Church, United Church of Christ, United Methodist Church. Join with them to oppose H.R. 7.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, many citizens, including Members of this House, first got into politics and stay involved in politics because of their moral and religious convictions. Religious congregations and organizations are working in communities daily to reach out to those in need, through Meals-on-Wheels, housing complexes for the elderly and the
Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

As a freedom lover who happens to be a Roman Catholic, I also know if our faith isn’t kept deep enough, as sacrificing people, we don’t need government money to subsidize us. We must give of our substance, not come to rely on a government subsidy.

But partnership between government and faith-based groups has its place. If this initiative—a faith-based initiative—had the proper safeguards, I could give it my support. On page 29 of the bill, any funds received by religious groups under this program shall be placed in a “separate account,” not a separately incorporated 501(c)(3) legal entity. This means federal funds will be awarded directly to religious organizations. This simply defies our Bill of Rights and the separation of church and state so essential to the maintenance of our fundamental freedoms.

This bill should require religious organizations to establish separate 501(c)(3) organizations and give them a separate legal standing from the religious mission of the faith-based group and a tax-exempt status. Of course most involved in social services already do. In that way, they can take government money but maintain their separate legal structure that is necessary to protect religious freedom from government incursion.

Of course, grantees should employ strict prohibitions against discrimination in hiring and the provision of services and abide by all applicable federal, state and local laws prohibiting discrimination.

Of course, Mr. Speaker, religious organizations providing social services—augmented by taxpayer dollars—is hardly a new concept. And, we have learned an enormous amount from this rich and worthy experience. Let me give you some examples:

The Sisters of Mercy, the Franciscans, the Grey Nuns, the Dominicans and members of other orders minister to the needy in hospitals and hospices and homeless shelters throughout America. But they do so through non-profit organizations that are separate and legally distinct.

In my district, the Lutheran Church provides nursing home care and other service through Wolf Creek Lutheran Home. But they have a separate 501(c)(3).

Jewish Community Services throughout the nation offer social services, including federally-subsidized independent housing for elderly and handicapped people. But they keep a separate accounting through a 501(c)(3) status.

Islamic Social Services Association provides a wide range of social services to the growing Muslim population in North America—through its non-profit arm.

Certainly we want to encourage religious organizations to provide social services to our fellow Americans. And certainly we want to do nothing that would discourage such compassionate action.

Private philanthropy has its place, and we want to encourage our fellow citizens to give of their time and money to help the less fortunate. We know private philanthropy will never be a complete substitute for substantial social services funded by the U.S. Government. Our needs in America are so great, and many of the private groups boats are so small.

I believe it is crucial—in order to protect taxpayer dollars and also to protect religious insti-

tutions from government interference—to keep not just two separate accounts, but separate and distinct organizations legally incorporated with their mission clearly defined.

That is why the establishment of 501(c)(3) organizations is so crucial—not just for the integrity of government grant money but also for the independence of the religious organizations using it.

I cannot support the faith-based initiative as currently proposed. Please vote “no” on the rule and on the bill, unless amended.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SCHIFF). Mr. Speaker, I rise in opposition to the rule and to H.R. 7. The Founding Fathers established a separation of church and State out of a solicitude for religion and for the State; and this initiative as drafted, I believe, is a threat to the State and the efficient operation of its services by preventing the State from ensuring that Federal funds are spent.

Who among us in this body is prepared to ask for an audit of a Jewish synagogue or the Catholic Church or the Mormon Temple for its expenditures of Federal funds? I would say probably none of us. And so the effective delivery of services cannot be effectively audited.

But more than that, the risk of excessive entanglement of religion, of having religious denominations compete with each other for Federal grants, becoming vendors of Federal services, of being told if they receive Federal money they cannot talk about faith being a necessary part of recovery, is this a position we want the Government to be in, saying if you take the Federal money, you cannot talk about faith, but if you do not, you can? Not in the history of either State or church, and I urge a “no” vote.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS). Mr. Speaker, as a person of faith, I believe in the power of faith to change lives, and I believe in the good work of faith-based groups. Yet today I join with over 1,000 religious leaders across America, and with civil rights groups such as the NAACP and educations groups, such as the National PTA and the National Association of School Administrators, who strongly oppose this bill.

Mr. Speaker, when Members cast their vote on this bill today, I hope they will ask themselves two fundamental questions: one, should citizens’ tax dollars be used to directly fund churches and houses of worship? And, two, is it right to discriminate in job hiring when using Federal dollars?

I believe the answer to those two questions is no, and that is why I oppose this bill. Sending billions of tax dollars each year directly to churches

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is unconstitutional under the first amendment. It will lead to government regulation of our churches, which is exactly what the Founding Fathers rejected the idea of using tax dollars to fund our churches when they wrote the Bill of Rights.

It would be a huge step backwards in our Nation’s march for civil rights to allow groups to fire employees from federally funded jobs solely because of their religious faith. Having a religious test for tax-supported jobs is wrong. No American citizen, not one, should have to pass someone else’s religious test to qualify for a federally funded job.

Mr. Speaker, this idea was a bad idea when Mr. Madison and Mr. Jefferson and our Founding Fathers rejected it in writing the Constitution two centuries ago. It is a bad idea today. This bill will harm our religious freedom. I urge my colleagues to vote “no” on this unfair rule and “no” on this bill.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. Horsley).

Mr. HORN.

Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise today in support of H.R. 7 and encourage my colleagues to vote for this important legislation.

There is little doubt that faith-based organizations are often the most effective providers of social services in our communities. They are highly motivated, generous in spirit, and their motivation stems from a deep conviction about how one should live daily by giving to others in need. I have had a very strong record in this Chamber of separation of church and State, but I think we should give the President a chance on this. If something goes awry, then let us change it. But I think it will not, and I think thousands of people will be able to help others.

Through the welfare law passed in 1996, Congress provided opportunities for religious organizations, and I think there has been some very good language in H.R. 7. This program will work.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2½ minutes to the gentleman from Mississippi (Mr. Pickering).

Mr. PICKERING.

Mr. Speaker, I rise today in proud support of both the rule and H.R. 7. I want to commend the gentleman from Ohio (Mr. Hall), who is an example to all of us, and the gentleman from Oklahoma (Mr. Watts). They are the best of this institution.

I want to say that in my home State of Mississippi we have the proud distinction of being the most charitable State in the Nation, the most generous. And because of the faith-based initiative, we have had an effort that has brought our Christian community together with Jews, with Catholics, with Muslims, with black, with white, people of all ages to organize in support of this initiative, because we know in Mississippi, just as we know across this country, that for the addict, for the alcoholic, for the struggling family, for the hungry, for the prisoner, for the victim, for the orphan, for the put-upon, for the news, faith gives the hope that this country needs.

Our President has called on us to remove the hindrances, to remove the hostility to the faith-based approaches so that there can be neutrality between the secular and the religious in healing our land. It is to remove the discrimination that we now have against the faith-based solutions.

I believe this approach can help heal our land, can bring our people together. It is happening in my own State of Mississippi; it is happening all across this land. I believe this is the right way at the right time to stand with organizations from the Salvation Army to Catholic Charities, to Evangelical Christians, to groups that represent the full breadth of this land and the greatest traditions of our faith.

Our founders knew that faith needed to guide us to give us the political prosperity and the peace and the reconciliation and the renewal. May we rise to the occasion today and pass this great and good legislation.

Mr. WALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, before I yield back the balance of my time, I would simply say that if I were to believe what has been said in the past few days, even the past couple weeks, even some of the stories I have read in the news, if I were to believe it without reading the bill, I would probably vote against this bill, too. But I have read the bill.

I have lived and worked with some of these people that we are trying to help. It is time to reach out to them. It is time to encourage them, instead of beating them down. We beat them down. We turn them away from us when we have these kinds of discussions. It is time to reach out. That is what this bill does.

Vote for the rule. Vote for the bill.

Mr. Speaker, I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I ask my colleagues not to close debate and to allow the debate to proceed. Vote for the rule. Vote for the bill.

Mr. Speaker, I urge my colleagues to support this rule and the underlying legislation so that we can join our President and heroes like the gentleman from Ohio (Mr. Hall) and the gentleman from Oklahoma (Mr. Watts) and truly unleash the best of America.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. Bonilla). The question is on ordering the previous question.

The question was taken; and the yeas and nays were ordered to be recorded, on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 228, nays 199, not voting 6, as follows:

(Roll No. 250)

YEAS—228

Aderholt  Armey  Barnett  Baxley  Bechtel  Bilirakis  Blunt  Boehner  Bonilla  Bono  Brady  Brown (SC)  Brown (TN)  Bunning  Buten  Burr  Burton  Buyer  Callahan  Calvert  Campbell  Cannon  Cantor  Capito  Castle  Chabot  Challis  Chaffetz  Coble  Collins  Combet  Cooksey  Cox  Crane  Crenshaw  Culberson  Davis, Jo Ann  Davis, Tom  Deal  Delay  DeLauro  Dendy  Diaz-Balart  Dreier  Duncan  Ehlers  Ehrlich  Emerson  Everett  BONILLA). The question is on ordering the previous question. The vote was taken by electronic device, and there were—yeas 228, nays 199, not voting 6, as follows:

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(Roll No. 250)
Ms. JACKSON-LEE of Texas, Mr. LUCAS of Kentucky, Mr. CLEMENT, Ms. PELOSI, and Mr. WEXLER changed their vote from "yea" to "nay." Mr. SHADEGG changed his vote from "nay" to "yea." So the previous question was ordered.

The resolution was agreed to.

Mr. CONYERS. Mr. Speaker, I demand a recorded vote.

The resolution was agreed to.

So the resolution was agreed to.
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The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. HINOJOSA. Mr. Speaker, I regret that I was unavoidably detained this last evening and this morning. Had I been present, I would have voted "yes" on rollover 243, "yes" on rollover 244, "no" on rollover 245, "no" on rollover 246, "yes" on rollover 247, "yes" on rollover 248, "yes" on rollover 249, "no" on rollover 250, and "no" on rollover 251.

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 196, I call up the bill (H.R. 7) to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government programs to deliver to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LaHOUVE). Mr. Speaker, pursuant to House Resolution 196, the bill is considered read for amendment.

The text of H.R. 7 is as follows:

H.R. 7

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Community Solutions Act of 2001".

(b) Table of Contents.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.

Sec. 102. Tax-free distributions from individual retirement accounts for charitable purposes.

Sec. 103. Charitable deduction for contributions of food inventory.

Sec. 104. Authorization of appropriations.

Sec. 105. Deposits by qualified individual development account programs.

Sec. 106. Withdrawal procedures.

Sec. 107. Certification and termination of qualified individual development account programs.

Sec. 108. Reporting, monitoring, and evaluation.

Sec. 301. Purposes.

Sec. 302. Definitions.

Sec. 303. Structure and administration of individual development accounts.

Sec. 304. Procedures for opening and maintaining individual development account and qualifying for matching funds.

Sec. 305. Deposits by qualified individual development account programs.

Sec. 306. Withdrawal procedures.

Sec. 307. Certification and termination of qualified individual development account programs.

Sec. 308. Reporting, monitoring, and evaluation.

Sec. 309. Authorization of appropriations.

Sec. 310. Account for purposes of certain means-tested Federal programs.

Sec. 311. Matching funds for individual development accounts provided through a tax credit for qualified financial institutions.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DEFINITION; DEDUCTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) In General.—Subsection 63 of the Internal Revenue Code of 1986 relating to charitable, etc., contributions and gifts is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (j) the following new subsection:

"(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—In the case of an individual who does not itemize his deductions for the taxable year, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the lesser of—

"(1) the amount allowable under subsection (a) for the taxable year, or

"(2) the amount of the standard deduction.

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of such Code is amended by striking "and" at the end of paragraph (1), by inserting after paragraph (2) and inserting ", and", and by adding at the end thereof the following new paragraph:

"(3) the direct charitable deduction."

(2) DEFINITION.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (f) and inserting after subsection (f) the following new subsection:

"(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term "direct charitable deduction" means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(c).

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking "and" at the end of paragraph (1), by inserting after the end of paragraph (1) and by inserting ", and", and by adding at the end thereof the following new paragraph:

"(3) the direct charitable deduction."

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

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) In General.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 relating to individual retirement accounts is amended by adding at the end thereof the following new paragraph:

"(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

"(A) IN GENERAL.—No amount shall be includible in gross income and capital gain property is amend- ed by adding at the end thereof the following new paragraph:

"(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

"(A) IN GENERAL.—No amount shall be includible in gross income and capital gain property is amend- ed by adding at the end thereof the following new paragraph:

"(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

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“(ii) the reduction under paragraph (1)(A) 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 contribu-
tion of which 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 in-
ternal 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 principles under which similar 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, 2001.

SEC. 104. CHARITABLE DONATIONS LIABILITY RE-
PORT FORM FOR IN-KIND CORPORATE
CONTRIBUTIONS.

(a) DEFINITIONS.—For purposes of this sec-
tion:

(1) AIRCRAFT.—The term “aircraft” has the meaning provided that term in section 4012(b) of title 49, United States Code.

(2) BUSINESS ENTITY.—The term “business entity” means a firm, corporation, association, partnership, consortium, joint venture, or other form of enterprise.

(3) EQUIPMENT.—The term “equipment” includes equipment, electronic equipment, and office equipment.

(4) FACILITY.—The term “facility” means any real property, including any building, improvement, or appurtenance.

(5) GROSS NEGLIGENCE.—The term “gross negligence” means voluntary and conscious conduct by a person with knowledge (at the time of the conduct) that the conduct is likely to be harmful to the health or well-being of another person.

(6) INTENTIONAL MISCONDUCT.—The term “intentional misconduct” means conduct by a person with knowledge (at the time of the conduct) that the conduct is harmful to the health or well-being of another person.

(7) MOTOR VEHICLE.—The term “motor vehi-
cle” has the meaning provided that term in section 30112(e) of title 49, United States Code.

(8) NONPROFIT ORGANIZATION.—The term “nonprofit organization” means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; or

(B) any not-for-profit organization organized and conducted for public benefit and operated primarily for charitable, civic, edu-
cational, religious, welfare, or health pur-
poses.

(9) STATE.—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(b) LIABILITY.—

(1) LIABILITY OF BUSINESS ENTITIES THAT DO-
NATE EQUIPMENT TO NONPROFIT ORGANI-
ZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death that results from the use of equipment donated by a business entity to a nonprofit organiza-
tion, if—

(i) the use occurs outside of the area under the control of the business entity; and

(ii) the business entity authorized the use of such facility by the nonprofit organiza-
tion.

(B) APPLICATION.—This paragraph shall apply with respect to civil liability under Federal and State law.

(2) LIABILITY OF BUSINESS ENTITIES PROVID-
ING USE OF FACILITIES TO NONPROFIT OR
GANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring at a facility of the business entity in connection with a use of such facility by a nonprofit organization, if—

(i) the use occurs outside of the scope of business of the business entity;

(ii) such injury or death occurs during a period that such facility is used by the nonprofit organization; and

(iii) the business entity authorized the use of such facility by the nonprofit organiza-
tion.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Fed-
eral and State law; and

(ii) regardless of whether a nonprofit organiza-
tion pays for the use of a facility.

(3) LIABILITY OF BUSINESS ENTITIES PROVID-
ING USE OF A MOTOR VEHICLE OR AIRCRAFT.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring as a result of the operation of an aircraft or a motor vehicle of a business entity loaned to a nonprofit organization for use outside of the scope of business of the business entity, if—

(i) such injury or death occurs during a pe-
riod that such motor vehicle or aircraft is used by a nonprofit organization; and

(ii) the business entity authorized the use by the nonprofit organization of the motor 
v
vehicle or aircraft that resulted in the injury or death.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Fed-
eral and State law; and

(ii) regardless of whether a nonprofit organ-
ization pays for the use of an aircraft or motor vehicle.

(4) LIABILITY OF BUSINESS ENTITIES PROVID-
ING USE OF FACILITIES TO NONPROFIT OR
GANIZATIONS.—

(A) IN GENERAL.—Subject to subsection (c), a business entity shall not be subject to civil liability relating to any injury or death occurring at a facility of the business entity, if—

(i) such injury or death occurs during a pe-
riod that such motor vehicle or aircraft is used by a nonprofit organization; and

(ii) the business entity authorized the use by the nonprofit organization of the motor 
v
vehicle or aircraft.

(B) APPLICATION.—This paragraph shall apply—

(i) with respect to civil liability under Fed-
eral and State law; and

(ii) regardless of whether a nonprofit organ-
ization pays for the tour.

(c) EXCEPTIONS.—Subsection (b) shall not apply to an injury or death that results from an act or omission of a business entity that constitutes gross negligence or intentional misconduct, including any misconduct that—

(1) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code); or

(2) involves a sexual offense, as defined by applicable State law, for which the defend-
ant has been convicted in any court; or

(3) involves misconduct for which the de-
fendant has been found to have violated a Federal or State civil rights law.

(d) SUPERSEDING PROVISION.—

(1) IN GENERAL.—Subject to paragraph (2) and subsection (e), this title preempts the laws of any State to the extent that such laws are inconsistent with this title, except this title shall not preempt any State law that provides additional protection for a business entity for an injury or death described in a paragraph of subsection (b) with respect to which the conditions specified in such paragraph apply.

(2) LIMITATION.—Nothing in this title shall be construed to supersede any Federal or State law or regulation.

(e) ELECTION OF STATE REGARDING NON-
APPLICABILITY.—A provision of this title shall not apply to any civil action in a State against a business entity in which all parties are citizens of the State if such State enacts a statute—

(1) citing the authority of this section;

(2) declaring the election of such State that such provision shall not apply to such civil action in the State; and

(3) containing no other provisions.

(f) EFFECTIVE DATE.—This section shall apply to injuries (and deaths resulting there-
from) occurring on or after the date of the enactment of this Act.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELI-
GIOUS AND COMMUNITY ORGANIZA-
TIONS.

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 Act of 2001’.

“(b) PURPOSES.—The purposes of this sec-
tion are—

“(1) to provide assistance to individuals and families in need in the most effective and efficient manner;

“(2) to prohibit discrimination against reli-
gious organizations on the basis of religion in the administration and distribution of government assistance under the govern-
ment programs described in subsection (c)(4); and

“(3) to allow religious organizations to as-
sist in the administration and distribution of government assistance without the religious character of such organizations; and

“(4) to protect the religious freedom of in-
dividuals and families in need who are eligible for government assistance by expanding the possibility of choosing to receive services from a religious organization providing such assistance.

“(c) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—

“(1) IN GENERAL.—
(A) INCLUSION.—For any program described in subsection (c)(4), the program described in subsection (c)(4) shall retain its autonomy from Federal, State, and local governments, including such organization’s policies, rules, regulations, operational practice, and expression of its religious beliefs.

(1) IN GENERAL.—A religious organization that is given the authority under the contract or grant described in subsection (c)(4) shall operate and carry out the program in accordance with generally accepted accounting principles and shall maintain adequate financial records and a system of internal controls to provide assurance that funds provided under the grant or contract are used to carry out the program described in subsection (c)(4).

(2) DISCRIMINATION PROHIBITED.—Neither the Federal Government nor a State or local government receiving funds under a program described in paragraph (4) shall discriminate against an individual who provides assistance on the basis of religion, an alien, or an organization, if the program is administered in a manner that is consistent with the Establishment Clause and the Free Exercise Clause of the first amendment to the Constitution.

(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government nor a State or local government receiving funds under a program described in paragraph (4) shall discriminate against an organization that provides assistance on the basis of religion, an alien, or an organization, if the program is administered in a manner that is consistent with the Establishment Clause and the Free Exercise Clause of the first amendment to the Constitution.

(C) ANNUAL REPORT.—The recipient of Federal, State, or local government funds or other assistance under this section shall annually report to the Federal 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, or by a State or local government with Federal funds, the government shall consider, on the same basis as other violations of the law, complaints of such alleged violation. If such complaint is not resolved to the satisfaction of the party alleging that such violation, such complaint shall be referred to the Federal agency that has allegedly committed such violation. 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 794 of the Rehabilitation Act of 1973 (29 U.S.C. 794) against an individual described in subsection (f)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

(2) INDIRECT FORMS OF DISBURSEMENT.—A religious organization that provides assistance under a program described in subsection (c)(4) shall not be required to provide assistance against an individual described in subsection (f)(3) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

(b) ACCOUNTABILITY.—Except as provided in paragraph (2), a religious organization providing assistance under any program described in subsection (c)(4) shall be subject to the same accounting and regulatory requirements as any other governmental entity, except that religious 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 or accounts. Only the funds shall be subject to audit by the government.

(1) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided through a contract or grant to a religious organization to provide assistance under any program described in subsection (c)(4) shall be expended for sectarian worship, instruction, or influence; or religious instruction or worship; or be used after the date of such objection, assistance funded under any program described in subsection (c)(4).
may bring a civil action for appropriate re-

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 United States economic expansion.

SEC. 302. DEFINITIONS.

As used in this title:

(1) ELIGIBLE INDIVIDUALLY.—

(A) IN GENERAL.—The term "eligible individual" means an individual who—

(i) attained the age of 18 years but not the age of 61;

(ii) is a citizen or legal resident of the United States;

(iii) is a student (as defined in section 515(c)(4)); and

(iv) is a taxpayer the adjusted gross income of whom for the preceding taxable year does not exceed—

(I) $20,000, in the case of a taxpayer described in section 1(c) or 1(d) of the Internal Revenue Code of 1986;

(II) $25,000, in the case of a taxpayer described in section 1(b) of such Code; and

(III) $30,000, in the case of a taxpayer described in section 1(a) of such Code.

(B) INFLATION ADJUSTMENT.—

(i) IN GENERAL.—In the case of any taxable year beginning after 2002, each dollar amount referred to in subparagraph (A)(iv) shall be increased by an amount equal to—

(I) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section 1(a)(9) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting "2003" for "1992".

(ii) ROUNDING.—If any amount as adjusted under subparagraph (B)(i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(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 individual for whom the account was established.

(B) No contribution will be accepted unless it is in cash.

(C) The holder of the account is a qualified financial institution.

(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 306(b), any amount in the account may be paid out only for one purpose of paying the qualified expenses of the account owner.

(3) PARALLEL ACCOUNT.—The term "parallel account" means a separate, parallel individual Development Account account for all matching funds and earnings dedicated to an Individual Development Account owner as part of a qualified individual development 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 contractual affiliates, qualified nonprofit organization, or Indian tribe to carry out an individual development account program established under section 303.

(5) QUALIFIED NONPROFIT ORGANIZATION.—

The term "qualified nonprofit organization" means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempted from tax under section 501(a) of such Code;

(B) any community development financial institution certified by the Community Development Financial Institutions Fund; or

(C) any credit union chartered under Federal or State law.

(6) INDIAN TRIBE.—The term "Indian tribe" means any Indian tribe as defined in section 412 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(d)), and includes any tribal subsidiary, subdivision, or other wholly owned tribal entity.

(7) QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM.—The term "qualified individual development account program" means a program established under section 303 under which—

(A) Individual Development Accounts and parallel accounts are held by a qualified financial institution; and

(B) additional activities determined by the Secretary as necessary to responsibly develop and administer accounts, including recruiting, providing financial education and other training to account owners, and regular program monitoring, are carried out by the qualified financial institution, a qualified nonprofit organization, or an 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 under section 303 under which—

(i) is paid exclusively to the qualified expenses of the Individual Development Account owner or such owner's spouse or dependent;

(ii) is paid by the qualified financial institution, qualified nonprofit organization, or Indian tribe;

(iii) except as otherwise provided in this clause, directly to the unrelated third party to whom the amount is due;

(iv) in the case of any qualified rollover, directly to another Individual Development Account and parallel account; or

(v) in the case of a qualified final distribution, directly to the spouse, dependent, or other named beneficiary of the deceased account owner; and

(iii) is paid after the account owner has completed a financial education course as required under section 306(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.

(V) Qualified final distribution.

(II) QUALIFIED HIGHER EDUCATION EXPENSES.—

(A) IN GENERAL.—The term "qualified higher education expenses" means 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.

(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term postsecondary vocational educational school means an area vocational education school (as defined in subsection (C) or (D) of section 515(c)(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(1)) which is in any State (as defined in section 135(b)(2)) if the Act is in effect on the date of the enactment of this Act.

(C) 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 may not be taken into account for purposes of determining qualified higher education expenses under section 135 or 530 of the Internal Revenue Code of 1986.

(III) QUALIFIED FIRST-TIME HOMEBUYER COST.—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.—

(A) 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.

(B) 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 has been approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe and which meets such requirements as the Secretary may specify.

(V) QUALIFIED ROLLOVERS.—The term "qualified rollover" means the complete distribution of the amounts in an Individual Development Account and parallel account or qualified nonprofit organization, or Indian tribe and which meets such requirements as the Secretary may specify.

(VI) QUALIFIED FINAL DISTRIBUTION.—The term "qualified final distribution" means, in
the case of a deceased account owner, the complete distribution of the amounts in an Individual Development Account and parallel account directly to the spouse, any dependent, or other named beneficiary of the deceased.

§ 308. Procedures for opening and main-
taining an Individual Develop-
m ent Account and qualifying to-
ifying expenditures.

(a) Opening an Account.—An eligible indi-
vidual may open an Individual Development Account with a qualified financial institution, a qualified nonprofit organization, or an Indian tribe upon certification that such individual maintains no other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) Required completion of financial education course.

(1) In general.—Before becoming eligible to withdraw matching funds to pay for qualified expenses of such individual, an individual development account owner 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, in consultation with representatives of qualified individual development account programs, shall establish minimum quality standards for the contents of financial education courses and providers of such courses.

(c) Deposit of matching funds into individual development account.

(1) General.—An individual development account owner who attains the age of 61, the qualified financial institution, qualified nonprofit organization, or Indian tribe which holds the account for such individual shall deposit the funds in such parallel account into the Individual Development Account of such individual on the first day of the succeeding taxable year of such individual.

(d) Uniform Accounting Regulations.—To ensure proper recordkeeping and determination of the tax credit under section 30B of the Internal Revenue Code of 1986, the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel account of such individual.

(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 individual on not less than an annual basis.

§ 309. Withdrawal procedures.

(a) Withdrawals for qualified expenses.—To withdraw money from an 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 report the balances in such Individual Development Account, and, accordingly, from the parallel account electronically to the distributees described in section 302B.(n). If the distributees are 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 distributee.

(b) Withdrawals for nonqualified expenses.—An Individual Development Account owner may unilaterally withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expenses, but shall forfeit a proportionate amount of matching funds for each Individual Development Account for purposes other than to pay qualified expenses.

(c) Withdrawals from accounts of noneligible individuals.—If the individual for whose benefit an Individual Development Account was established, at the time of the individual’s death, is not an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 30B(b)(1)(A) during the period:

(1) beginning on the first day of the taxable year following the death of such individual;

(2) ending on the last day of the taxable year of such individual in which such ineligibility ceases.

(d) Tax treatment of matching funds.—Any amount withdrawn from a parallel account shall not be includible in an eligible individual’s gross income.

(e) Withdrawal liability rests only with eligible individuals.—Nothing in this title may be construed to impose liability on a qualified financial institution, a qualified nonprofit organization, or an Indian tribe for non-compliance with the requirements of this title related to withdrawals from Individual Development Accounts.

§ 307. Certification procedures and determination of qualified individual development account programs.

(a) Certification procedures.—Upon estab-
lishing a qualified individual development account program under section 306, a qualified financial institution, a qualified nonprofit organization, or an Indian tribe shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that:

(1) the accounts described in subparagraphs (A) and (B) of section 303(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 operating activities of the qualified individual development account program.

(b) Authority to terminate qualified IDA program.—If the Secretary determines that a qualified financial institution, a qualified nonprofit organization, or an Indian tribe under this title is not operating a qualified individual development account program, the Secretary may terminate the requirements of this title (and has not implemented any corrective recommendations directed by financial credit counseling, financial literacy, and management education courses.
SEC. 308. 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 operates a qualified individual development account program under section 303 shall report annually to 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;

(b) Responsibilities of the Secretary.—

(1) Monitoring and Reporting.—Not later than 12 months after the date of the enactment of this Act, the Secretary shall develop and implement a protocol and process to monitor the costs and outcomes of the qualified individual development account programs established under section 303.

(2) Individual Health.—In each year after the date of the enactment of this Act, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall be in the form of a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income;

(B) 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) information on program implementation and administration, especially on problems encountered and how problems were solved.

SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2002 and for each fiscal year through 2008, for the purposes of implementing this title, including the monitoring, and evaluation required under section 308, to remain available until expended.

SEC. 310. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEASURED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law, for purposes of determining eligibility for, or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized under this Act, or provision to be provided to or for the benefit of such individual, an amount equal to the sum of—

(I) all amounts (including earnings thereon) in any Individual Development Account; plus

(II) the matching deposits made on behalf of such individual (including earnings thereon) in any parallel account.

shall be disregarded for such purposes.

SEC. 311. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) In General.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to other credits) is amended by inserting after section 30A the following new section:

**SEC. 30B. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.**

“(a) Determination of Amount.—There shall be allowed against the applicable tax for the taxable year an amount equal to the individual development account investment provided by an eligible entity during the taxable year under an individual development account program established under section 303 of the Community Solutions Act of 2001.

“(b) Applicable Tax.—For the purposes of this section, the term ‘applicable tax’ means the excess (if any) of—

(I) 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

(II) the credits allowable under subpart B (other than this section) and subpart D of this part.

“(c) Individual Development Account Investment.—

“(1) In General.—For purposes of this section, the term ‘individual development account investment’ means—

(A) the aggregate amount of dollar-for-dollar matches under such program under section 305(b)(1)(A) of the Community Solutions Act of 2001 for such taxable year, plus

(B) an amount equal to the sum of—

(i) with respect to each Individual Development Account opened during such taxable year, $100, plus

(ii) with respect to each Individual Development Account maintained during such taxable year, $30.

“(2) Inflation Adjustment.—(A) In general.—With respect to each Individual Development Account investment under this section for which an inflation adjustment—

(i) such dollar amount is 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 2001 for 2000 in the definition of such adjustment; and

(B) Rounding.—If any amount as adjusted under subparagraph (A) is not a multiple of $5, such amount shall be rounded to the nearest multiple of $5.

“(d) Eligible Entity.—For purposes of this section, the term ‘eligible entity’ means a qualified financial institution, or 1 or more contractual affiliates of such institution, as defined by the Secretary in regulations.

“(e) Other Definitions.—For purposes of this section, any term used in this section and also in the Community Solutions Act of 2001 shall have the meaning given such term by such Act.

“(f) Denial of Double Benefit.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account under subsection (c)(1)(A) in determining the credit under this section.

“(g) Regulations.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations providing for a recapture of the credit allowed under this section (notwithstanding any termination date described in subsection (h)) in cases where there would be a forfeiture under section 306(b) of the Community Solutions Act of 2001 in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.

“(h) Application of Section.—In the case of any Individual Development Account opened before January 1, 2007—


(2) Conforming Amendment.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Act shall be inserted after the item relating to section 30A the following new item:

“Sec. 30B. Individual development account investment credit for qualified financial institutions.”

“(i) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

The SPEAKER pro tempore. In lieu of the amendments recommended by the Committee on Ways and Means and the Committee on the Judiciary printed in the bill, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1 is adopted.

The bill of the bill as amended by the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD and numbered 1 is as follows:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) Short Title.—This Act may be cited as ‘‘the Community Solutions Act of 2001’’.

(b) Table of Contents.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.

Sec. 102. Tax-free distributions from individual retirement accounts created for charitable purposes.

Sec. 103. Increase in cap on corporate charitable contributions.

Sec. 104. Charitable giving incentives for qualified financial institutions.

Sec. 105. Reform of excise tax on net investment income of private foundations.

Sec. 106. Excise tax on unrelated business taxable income of charitable remainder trusts.
Sec. 107. Expansion of charitable contribution allowed for scientific property used for research and for computer technology and equipment used for educational purposes.

Sec. 108. Adjustment to basis of S corporation stock for certain charitable contributions.

Title II: Expansion of Charitable Income streams

Sec. 201. Provision of assistance under government programs by religious and community organizations.

Title III: Individual Development Accounts

Sec. 301. Additional qualified entities eligible to conduct projects under the Assets for Independence program.

Sec. 302. Increase in limitation on net worth.

Sec. 303. Change in limitation on deposits for an individual.

Sec. 304. Elimination of limitation on deposits for a household.

Sec. 305. Extension of program.

Sec. 306. Conforming amendments.

Sec. 307. Applicability.

Title IV: Charitable Donations Liability Reform for In-Kind Contributions

Sec. 401. Charitable donations liability reform for in-kind corporate contributions.

Title I: Charitable Giving Incentives Package

Sec. 101. Deduction for portion of charitable contributions.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by redesignating subsection (e) as subsection (f).

(b) MODIFICATIONS RELATING TO INFORMATION RETURNs BY CERTAIN TRUSTs.—

(1) RETURNS.—Section 6014 of such Code (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

"SEC. 6014. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

"(a) TRUSTs DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

(1) IN GENERAL.—Every trust described in section 4947(a)(2) or claiming charitable deductions under section 642(c) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require, including:

(A) The amount of the charitable, etc., deduction under section 642(c) for the taxable year as the Secretary may by forms or regulations require, including:

(B) The amount paid out of principal in the current and prior years for charitable, etc., purposes.

(2) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, "charitable deduction" means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(a).

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking "and" before the end of subparagraph (i) and inserting "or" as added by section 170 of the Social Security Act of 1935.

(4) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

Sec. 102. Tax-Free Distributions from Individual Retirement Accounts

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end of such section the following new paragraph:

"(8) Distributions for charitable purposes.—

"(I) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

"(II) QUALIFIED CHARITABLE DISTRIBUTION.—

"(i) DIRECT CONTRIBUTIONS.—A distribution described in subsection (a) for the taxable year for cash contributions or other distributions in such taxable year and

"(ii) which is made directly by the trust to a split-interest entity, only if no person other than the individual for whose benefit the account is maintained, the spouse of such individual, or any organization described in section 170(c).

"(III) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

"(I) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

"(II) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof).

"(III) CHARITABLE GIFT ANNUITIES.—Qualifying charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

"(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

"(G) Split-Interest Entity Defined.—For purposes of this paragraph, the term 'split-interest entity' means:

"(i) a charitable remainder unitrust or a charitable remainder unitrust (as such terms are defined in section 664(d)),

"(ii) a pooled income fund (as defined in section 642(c)(5)), and

"(iii) a charitable gift annuity (as defined in section 501(m)(5)).

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTs.—

(1) RETURNS.—Section 6014 of such Code (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

"SEC. 6014. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

"(a) TRUSTs DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

(1) IN GENERAL.—Every trust described in section 4947(a)(2) or claiming charitable deductions under section 642(c) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations prescribe, including:

"(A) The amount of the charitable, etc., deduction under section 642(c) for the taxable year as the Secretary may by forms or regulations prescribe, including:

"(B) The amount paid out of principal in the current and prior years for charitable, etc., purposes.

(2) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, "charitable deduction" means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(a).

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking "and" before the end of subparagraph (i) and inserting "or" as added by section 170 of the Social Security Act of 1935.

(4) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.
"(F) a balance sheet showing the assets, li-
abilities, and net worth of the trust as of the
beginning of such year.
"(2) EXCEPTIONS.—Paragraph (1) shall not
apply in the case of a taxable year if all the
net income for such year, determined under the
applicable principles of the law of trusts,
remains to be distributed currently to the
beneficiaries. Paragraph (1) shall not apply in
the case of a trust described in section 4947(a)(1),".

(2) INCREASE IN PENALTY RELATING TO FIL-
ing of information return by split-interest
trusts.—Paragraph (2) of section 6656(b)(2) of
such Code (relating to returns by exempt
organizations and by certain trusts) is amended
by adding at the end the following new subpara-
graph:
"(C) SPLIT-INTEREST TRUSTS.—In the case
of a trust which is required to file a return
under section 6033(a), subparagraphs (A) and
(B) of paragraph (2) shall not apply and
paragraph (1) shall apply in the same manner
as if such return were required under section
6033, except that—
"(i) the 5 percent limitation in the second
sentence of paragraph (1)(A) shall not apply,
"(ii) in the case of any trust with gross in-
come in excess of $250,000, the first sentence
of paragraph (1)(A) shall be applied by sub-
stituting "$100" for "$20", and the second sen-
tence thereof shall be applied by substituting
"$50,000" for "$10,000", and
"(iii) the third sentence of paragraph (1)(A)
shall be disregarded.

If the person required to file such return
knowingly fails to file the return, such per-
sion shall be personally liable for the penalty
imposed pursuant to this subparagraph.

(3) CONFIDENTIALITY OF NONCHARITABLE
BENEFICIARIES.—Subsection (b) of section
6104 of such Code (relating to inspection of
annual information returns) is amended by
adding at the end the following new sen-
tence: "In the case of a trust which is re-
quired to file a return under section 6033(a),
this subsection shall not apply to information
regarding beneficiaries which are not organiza-
tions described in section 170(c).".

(c) CONFORMING AMENDMENTS.—
(1) Section 512(b)(10) and 805(b)(2)(A) of
such Code are each amended by striking "10"
percent and inserting "10 percent".

(2) Sections 549(b)(2) and 556(b)(2) of
such Code are each amended by striking "10-
percent limitation" and inserting "applicable
percentage limitation".

(d) EFFECTIVE DATE.—The amendments
made by this section shall apply to taxable

SEC. 104. CHARITABLE DEDUCTION FOR CON-
TRIBUTIONS OF FOOD INVENTORY.

(a) In General.—Paragraph (3) of section
170(e) of the Internal Revenue Code of 1986
(relating to special rule for certain contribu-
tions of inventory and other property) is
amended by redesignating subparagraph (C)
as subparagraph (D) and by inserting after
subparagraph (B) the following new subpara-
graph:
"(C) SPECIAL RULE FOR CONTRIBUTIONS OF
FOOD INVENTORY.—
"(1) General Rule.—In the case of a chari-
table contribution of food, this paragraph
shall be applied—
"(I) without regard to whether the con-
tribution is made by a C corporation, and
"(II) only for food that is apparently
wholesome food.

"(2) Determination of Fair Market Value.—In
the case of a qualified contribu-
tion of apparently wholesome food to which
this paragraph applies and which, solely by
reason of internal standards of the taxpayer
or lack of market, cannot or will not be sold,
the fair market value of such food shall be
determined by taking into account the price
at which the same or similar food items are
sold by the taxpayer at the time of the con-
tribution (or, if not so sold at such time, in
the recent past).

"(3) Apparently Wholesome Food.—For
purposes of this paragraph, the term "ap-
parently wholesome food" shall have the
meaning given to such term by section
22(b)(2) of the Bill Emerson Good Samaritan
Food Donation Act (42 U.S.C. 1791(b)(2), as
in effect on the date of the enactment of this
paragraph)."

(b) Effective Date.—The amendment
made by subsection (a) shall apply to taxable

SEC. 105. REFORM OF EXCISE TAX ON NET IN-
VESTMENT INCOME OF PRIVATE FOUNDATIONS.

(a) In General.—Subsection (a) of section
4940 of the Internal Revenue Code of 1986
(relating to excise tax based on investment
income) is amended by striking "10 percent"
and inserting "2 percent".

(b) Repeal of Reduction In Tax Where
Private Foundation Meets Certain Dis-
tribution Requirements.—Section 4940 of
such Code is amended by striking subsection
(e).

(c) Effective Date.—The amendments
made by this subsection shall apply to taxable

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS
TAXABLE INCOME OF CHARITABLE ELEMS.

(a) In General.—Subsection (c) of section
664 of the Internal Revenue Code of 1986
(relating to exemption from income taxes) is
amended to read as follows:
"(c) Taxation of Income.—
"(1) Income Tax.—A charitable remainder
annuity trust and a charitable remainder
unitrust shall, for any taxable year, not be
subject to any tax imposed by this subtitle.

"(2) Excise Tax.—
"(A) In General.—In the case of a chari-
table remainder annuity trust or a chari-
table remainder unitrust that has unrelated
business taxable income (within the meaning
of section 512, determined as if part III of
chapter F was applied to such trust) for a tax-
able year, there is hereby imposed on such
trust or unitrust an excise tax equal to the
amount of such unrelated business taxable
income.

"(B) Certain Rules to Apply.—The tax
imposed by subparagraph (A) shall be treated
as imposed by chapter 42 for purposes of this
title other than subchapter E of chapter 42.

"(C) Character of Distributions and Co-
ordination with Distribution Require-
ments.—The amounts taken into account in
determining unrelated business taxable in-
come (as defined in subparagraph (A)) shall
not be taken into account for purposes of—
"(i) subsection (b),
"(ii) determining the value of trust assets
under subsection (d), and
"(iii) determining income under subsection
(d)."

"(D) Tax Court Proceedings.—For pur-
poses of section 7421, the references in
section 6212(c)(1) to section 4940 shall be
deemed to include references to this para-
graph."

(b) Effective Date.—The amendment
made by subsection (a) shall apply to taxable

SEC. 107. EXPANSION OF CHARITABLE CON-
TRIBUTION ALLOWED FOR SCIENTIFIC PROPERT-
Y USED FOR RESEARCH AND DEVELOPMENT.

(a) Property Used for Research.—
Subparagraph (2) of section 170(e)(4)(B) of
such Code is amended by inserting "or assem-
dled" after "constructed".

(b) Computer Technology and Equipment
for Educational Purposes.—Clause (ii) of
section 170(e)(6)(B) of such Code is amended
by inserting "or assembled" after "constructed",
and".

(c) Conforming Amendment.—Subpara-
graph (D) of section 170(e)(6) of such Code is
amended by inserting "or assembled" after "con-
structed", and "assembled" after "constructed",
and.

(d) Effective Date.—The amendments
made by this section shall apply to taxable

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORA-
TION STOCK FOR CERTAIN CHARI-
TABLE CONTRIBUTIONS.

(a) General.—Paragraph (1) of section
1367(a) of such Code (relating to adjustments
to basis of stock of shareholders, etc.) is
amended by striking "and" at the end of sub-
paragraph (B), by striking "or" at the end of
paragraph (C), and by inserting "or" after "as-
sembled", and, and by adding at the end the following new subparagraph:
"(D) the excess of the amount of the share-
holder’s deduction for any charitable con-
tribution made by the S corporation over the
shareholder’s proportionate share of the ad-
jurisdictional basis of the property.".

(b) Effective Date.—The amendment
made by this section shall apply to taxable
SEC. 201. PROVISION OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXIV of the Revised Statutes of the United States is amended by inserting after section 190 (42 U.S.C. 1994) the following:

"SEC. 1991. CHARITABLE CHOICE.

"(a) Short Title.—This section may be cited as the "Charitable Choice Act of 2001".

"(b) Purposes.—The purposes of this section are:

"(1) to enable assistance to be provided to individuals and families in need in the most effective and efficient manner;

"(2) to supplement the Nation's social service capacity by facilitating the entry of new, and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

"(3) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under such programs;

"(4) to allow religious organizations to participate in the administration and distribution of such assistance without impairing the religious character and autonomy of such organizations; and

"(5) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

"(c) RELIGIOUS ORGANIZATIONS INCLUDED AS PROVIDERS; DISCLAIMERS.—

"(1) IN GENERAL.—For any program described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, and the religious organization's exemption provided under section (c)(4) shall be implemented in a manner that is consistent with the establishment clause and the free exercise clause of the first amend- ment to the Constitution.

"(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government, nor a State or local government receiving funds under a program described in paragraph (4), shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program on the basis that the organization is religious or has a religious character.

"(2) FUNDS NOT TO AID RELIGION.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiary of such services, and not support for religion or the organization's religious beliefs or practices.

"(3) ENDORSEMENT NOT ENFORCED.—Religious.—The receipt by a religious organization of Federal, State, or local government funds or other assistance under this section is not an endorsement by the government of religion or of the organization's religious beliefs or practices.

"(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

"(A) if it involves activities carried out using Federal funds—

"(i) related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5061 et seq.);

"(ii) related to the prevention of crime and assistance to crime victims and offenders, including programs funded under title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.);

"(iii) related to the provision of assistance under Federal housing statutes, including the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.);

"(iv) under subtitle B or D of title I of the Workforce Investment Act of 1998 (29 U.S.C. 2901 et seq.);

"(v) under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

"(vi) under the Age Discrimination in Employment Act of 1967 (29 U.S.C. 6201 et seq.) or the Age Prevention and Treatment Act (42 U.S.C. 5101 et seq.);

"(vii) related to hunger relief activities; or

"(viii) under the Job Access and Reverse Commute grant program established under section 3002 of the Federal Transit Act of 1998 (49 U.S.C. 5309 note); or

"(B) has a value that is not less than the Federal share of the program described in subsection (c)(4).

"(C) ACCOUNTABILITY.—

"(i) 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 under any program described in subsection (c)(4), the appropriate Federal, State, or local government 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 an alternative that is accessible to the individual and unobstructed to the individual on religious grounds; and

"(B) has a value that is not less than the value of the assistance that the individual would have received under such program.

"(2) NOTICE.—The appropriate Federal, State, or local government entity shall provide notice to the individual described in subsection (c)(4) of the right 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)(4).

"(4) NONDISCRIMINATION AGAINST BENEFICIARIES.—

"(A) in general.—For purposes of a program described in subsection (c)(4) shall not discriminate in carrying out the program against an individual described in subsection (g)(4) on the basis of religion, a religious belief, or a refusal to hold a religious belief.

"(B) NONDISCRIMINATION AGAINST BENEFICIARIES.—

"(i) in general.—Except as provided in paragraphs (2) and (3), a religious organization providing assistance under any program described in subsection (c)(4) shall not deny an individual receiving such assistance of the religious organization to comply with the nondiscrimination provisions in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) (prohibiting discrimination on the basis of race, color, and national origin), title IX of the Education Amendments of 1972 (20 U.S.C. 1681–1688) (prohibiting discrimination in educational activities relating to sex; and the Age Discrimination Act of 1975 (2 U.S.C. 610–617) (prohibiting discrimination on the basis of age).

"(ii) ACCOUNTABILITY.—

"(A) in general.—Except as provided in paragraphs (2) and (3), a religious organization providing assistance under any program described in subsection (c)(4) and any provision in such programs that is inconsistent with or would diminish the exercise of an organization's autonomy described in paragraph 702 or in this section shall have no effect.

"(3) Effect on Other Laws.—Nothing in this section shall alter the duty of a religious organization to comply with the nondiscrimination provisions of title VII of the Civil Rights Act of 1964 in the use of funds from programs described in subsection (c)(4)."
described in subsection (c)(4) 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 and its performance of such programs.

"(2) Limitation on deposits for an individual. —''(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the project.

SEC. 303. CHANGE IN LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.

Section 406(b) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

"(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the project.

SEC. 304. ELIMINATION OF LIMITATION ON DEPOSITS FOR A HOUSEHOLD.


SEC. 305. EXTENSION OF PROGRAM.


SEC. 306. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TEXT.—The text of each of the following provisions for the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "demonstration" each place it appears:

(1) Section 403.
(2) Section 404.
(3) Section 405.
(4) Section 405(b).
(5) Section 405(c).
(6) Section 405(d).
(7) Section 405(e).
(8) Section 405(g).
(9) Section 406.
(10) Section 406(b).
(11) Section 407(b)(1).
(12) Section 407(c)(1)(A).
(13) Section 407(c)(1)(B).
(14) Section 407(c)(1)(C).
(15) Section 407(c)(1)(D).
(16) Section 407(d).
(17) Section 408.
(18) Section 409.
(19) Section 410.
(20) Section 410(a).
(21) Section 411.
(22) Section 412.
(23) Section 412(a).
(24) Section 412(b).
(25) Section 412(c).
(26) Section 413.
(27) Section 414.
(28) Section 415.
(29) Section 416.
(30) Section 416(a).

(b) AMENDMENTS TO SUBSECTION HEADINGS.—The heading of each of the following provisions for the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "DEMONSTRATION":

(1) Section 405(a).
The SPEAKER pro tempore. There was no objection.

Mr. THOMAS. Mr. Speaker, I yield 15 minutes of my time to the gentleman from Wisconsin (Mr. SENSENBRENNER), and ask unanimous consent that he may control that time.

Prior to doing that, I ask unanimous consent that the gentleman from New York (Mr. RANGEL) be recognized.

The SPEAKER pro tempore. Is there any objection to the request of the gentleman from New York?

There was no objection.

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that the first 15 minutes of my time be controlled by the gentleman from Michigan (Mr. CONYERS), the ranking member of the Committee on the Judiciary, and the remainder of my time be controlled by the gentleman from Georgia (Mr. LEWIS), a member of the Committee on Ways and Means.

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

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that I may be allowed to yield parts of my time to others.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that I may be allowed to yield parts of my time to others.

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

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 7. Quite simply, the aim of this legislation is to encourage more community-based solutions to social problems in America. When implemented, it will provide some truly life-changing opportunities to many individuals struggling in our communities across the country.

It says that faith-based organizations should not longer be discriminated against when competing for Federal services funds because of a mis-construed interpretation of current law by some, and that we welcome even the smallest faith-based organizations into the war against desperation and hopelessness.
As a result, new doors will be opened to the neediest in our communities to receive help and assistance that they seek. This is a wonderful and compassionate goal that most, if not all, should be able to embrace. In fact, H.R. 7 could very well improve our culture in ways that we have not seen in decades.

The concept of Charitable Choice is not new. Federal welfare reform in 1996 authorized collaboration between government and faith-based organizations to provide services to the poor. Charitable Choice has allowed religious organizations, rather than just secular or secularized groups, to compete for public funding. Many faith-based organizations have been providing services to their community, but with government funding they are able to create new programs and expand existing ones.

For example, the Cookman United Methodist Church in Philadelphia has created a program of "education, life-skills, job placement, job development and computer literacy, and children and youth services" with their Federal funding. By testing new solutions to the problem of poverty, the Cookman Church has used Charitable Choice funds to expand their program of needed services into a much larger and more meaningful one for their community. They have done this under existing Charitable Choice law in the 1996 Welfare Reform Act, which allows them to help those in need without having to hire lawyers to create a separate secularized organization and without having to rent expensive office space outside their neighborhood church.

There are literally hundreds of other programs like that of the Cookman United Methodist Church that have benefitted thousands of persons in need without raising constitutional concerns in their implementation. These organizations are striving to make a difference in communities all across America.

It is a tragedy that those who move to help others by the strength of faith face added barriers to Federal social service funds based upon misguided understandings of the Constitution's religion clauses. Often it is those whose earthly compassion has the deep root of faith who stand strongest against the whims of despair. Different rules should not apply to them when they seek to cooperate with the Federal Government in helping meet basic human needs.

Some of our colleagues have raised constitutional objections to this legislation. I believe that those objections, while sincere, are misguided. Charitable Choice neither inhibits free exercise of religion nor does it interfere with the government establishment of religion. It simply allows all organizations, religious or non-religious, to be considered equally by the Government for what they can do to help alleviate our Nation's social ills.

Unfortunately, it has become all too common for faith-based organizations to be subject to blanket exclusionary rules applied by the government grant and contract distributors based upon the notion that no Federal funds can go to pervasively sectarian institutions. However, the Congressional Research Service concluded in its December 27, 2000, report to Congress on Charitable Choice: "In its most recent decisions, the Supreme Court appears to have abandoned the presumption that some religious institutions are so pervasively sectarian that they are constitutionally ineligible to participate in direct public aid programs. The question of whether a recipient institution is pervasively sectarian is no longer a constitutionally determinative factor."

The pervasively sectarian test under which the patronizing assumption was made that religious people could be too religious to be trusted to follow rules against the use of Federal funds for proselytizing activity is, thankfully, dead. However, its ghost continues to linger in many of the implementing regulations of the programs covered by H.R. 7, and, unfortunately, in the rhetoric of many of H.R. 7's opponents.

For those with constitutional concerns, I also ask them to consider the changes to H.R. 7 that were adopted by the Committee on the Judiciary and just amended in this bill with the self-executing rule. These changes firm up the constitutionality of the bill and expand the options of individuals to receive government services from the type of organization they are most comfortable with.

To begin with, the bill now makes clear that when a beneficiary has objection to the religious nature of a provider, an alternative provider is required that is objectionable to the beneficiary on religious grounds, but that the alternative provider need not be non-religious. This same requirement appears in the Charitable Choice provisions of the 1996 Welfare Reform Act. If, of course, a beneficiary objects to being served by any faith-based organization, such a beneficiary is granted a secular alternative.

Existing Charitable Choice law contains an explicit protection of a beneficiary's right to refuse to actively participate in a religious practice, thereby ensuring a beneficiary's right to avoid any unwanted sectarian practices. Such a provision makes clear that participation, if any, in a sectarian practice, is voluntary and non-compulsory.

Further, Justices O'Connor and Breyer require that no government funding go to religious indoctrination. Therefore, religious organizations receiving direct funding will have to separate their social service program from their sectarian practices. If any part of the faith-based organization's activities involve religious indoctrination, such activities must be separate from the government-funded program, and, hence, privately funded. The bill as reported out of the Committee on the Judiciary now contains a clear statement that if any sectarian worship instruction or proselytization occurs, that shall be voluntary for individuals receiving services and offered separate from the program funded.

Also the bill now includes a requirement that a certificate shall be separately signed by the religious organization and filed with the government agency that disperses the funds certifying that the organization is aware of and will take care to comply with this provision.

The amendment also makes clear that volunteers cannot come into a federally funded program and proselytize or otherwise engage in sectarian activity.

The Committee on the Judiciary also changed the bill to include a subsection to permit review of because of the program itself, not just its fiscal aspects. This amendment is needed to prevent an unconstitutional preference for faith-based organizations, as secular programs are subject to both types of review.

One of the most important guarantees of institutional autonomy is a faith-based organization's ability to select its own staff in the manner that takes into account its faith. It was for that reason that Congress wrote an exemption from the religious discrimination provision of Title VII of the Civil Rights Act of 1964 for religious employers. All other current charitable choice laws specifically provide that faith-based organizations retain this limited exemption from Federal employment nondiscrimination laws.

An amendment adopted by the Committee on the Judiciary replaced existing language in H.R. 7 with the same language used in the 1996 Welfare Reform Act, which was signed into law by President Clinton, with an additional clause making clear that contrary provisions in the Federal programs covered by H.R. 7 have no force and effect. This additional clause was not necessary in the 1996 Welfare Reform Act because it codified charitable choice rules for a new program, whereas H.R. 7 covers already existing programs that may have conflicting provisions.

This additional clause was not necessary in the 1996 Welfare Reform Act because it codified charitable choice rules for a new program, whereas H.R. 7 covers already existing programs that may have conflicting provisions.

This amendment is offered to avoid any confusion. The language of the 1996 Welfare Reform Act did nothing to "roll back" existing civil rights laws, and that same language is used in this amendment.

It is important for all to understand that this bill does not change the anti-discrimination laws one bit, either with respect to employees or beneficiaries. Faith-based organizations...
must comply with civil rights laws prohibiting discrimination on the basis of race, color, national origin, gender, age and disability.

Since 1964, faith-based organizations have been entitled to the Title VII exemption to hire staff that share religious beliefs; and courts, including the Supreme Court, have upheld this exemption. Do the critics of those laws really want to revoke current public funding from the thousands of child care centers, colleges and universities that receive Federal funds in the form of Pell grants, veterans benefits, vocational training, etc., because these institutions hire faculty and staff that share religious beliefs?

Remember, one of the primary goals of this legislation is to try to open opportunities for small entities that take part in delivering social services. It is particularly important to maintain this exemption for small faith-based entities, because they are the types of community organizations we hope will be encouraged by this bill to seek an involvement in delivering social services. These small entities are not going to go out and create new organizations and staff that provide these services. So we do not want to force them to advertise, hire new people and possibly be sued in Federal court for a job they would like to be filled by people already on staff, namely, people who share their religious beliefs.

One of the most revered liberal justices in the history of the Supreme Court, William Brennan, recognized that preserving the Title VII exemption where religious organizations engage in social services is a necessary element of religious freedom.

In his opinion in the Amos case upholding the current Title VII exemption, Justice Brennan recognized that many religious organizations and associations engage in extensive social welfare and charitable activities such as operating soup kitchens and day care centers or providing aid to the poor and the homeless. Even where such activity does not contain any sectarian instruction, worship or proselytizing, he recognized that the religious organization's performance of such functions was likely to be “inextricably involved with a religious purpose.” He also recognized that churches and other entities “often regard the provision of social services as a means of fulfilling religious duty and providing an example of the way of life a church seeks to foster.”

Charitable choice principles recognize that people in need should have the benefit of the best social services available, whether the providers of those services are faith-based or otherwise. That is the goal: helping tens of thousands of Americans in need.

We are considering today whether the legions of faith-based organizations in the inner cities, small towns and other communities of America can compete for Federal funds to help pay for the heating bills in shelters for victims of domestic violence, to help them pay for training materials teaching basic work skills, to help them feed the hungry, and to provide other social services to help the most desperate among us.

Mr. Speaker, I urge my colleagues, even those initially opposed to H.R. 7, to join me today in voting for this bill and the expansion of charitable choice. Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I commend the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the committee, for his sterling statement. Except for the fact, of course, it was very well presented.

Now, to the heart of the matter. The Conservative Family Research Council announced yesterday that they would abandon support for H.R. 7 if it were changed one iota to defer to existing State or local civil rights laws. Therein lays the rub. Namely, to put it another way, more colloquially, can a brother make as good a pot of soup as a Southern Baptist? Can too much diversity spoil the soup? That is the problem here, and it is why we are having so much trouble with faith-based which, incidentally, already exists, I say to my colleagues. In there anyone not aware that we already have faith-based organizations dispensing charity by the billions of dollars? So what is the problem here?

Well, during our discussion in the Committee on the Judiciary, no one caught this sense of the issue more sensitively than my distinguished colleague from Florida (Mr. SCARBOROUGH), and I quote him at this point from page 191: “For instance,” he says, “delivering soup. Let’s say, for instance, in an urban part of the area, listen, they want to get their soup. They do not want to hear somebody with views that are completely different from their own views. And I understand. I understand what the bill says, that they are not allowed to do that. But, again, if you compel these organizations, whose culture many Americans believe allow faith-based organizations to deliver services more effectively,” and so on and so forth.

So I thank our departing colleague for that very important contribution to what we are about here.

Now, why do so many people feel uncomfortable about using this legislation as a vehicle to override our civil rights laws, our Federal civil rights laws, our State civil rights laws, our local civil rights laws? Why?

Many of us are still recovering from the revelation that the Salvation Army negotiated a secret deal with the White House to override parts of civil rights laws, including those protecting domestic partner benefits. Most do not think it is right to trade off our civil rights laws to get legislative support from a private organization.

Had the administration really wanted to do something to help religion, they might have tried to include the proposed charitable tax deductions in the $2 trillion tax deal. If they wanted to do something to improve social services, they would increase funding for drug treatment, housing and for seniors, instead of cutting these programs by billions of dollars. If they wanted to help our kids in our inner cities, of which I have heard so much today it is staggering, they would help us try to rebuild the crumbling schools all across the country, not just renovating.

Mr. Speaker, I yield 2 1/4 minutes to the gentleman from New York (Mr. NADLER), the ranking member of the subcommittee from which this bill came.

Mr. NADLER. Mr. Speaker, this bill is a threat to religious liberty, a threat to the very effective way the Federal, State and local governments have long worked with religious charities, and a threat to this Nation’s long commitment to equal rights, nondiscrimination and human dignity.

I would like to dispense with a few myths that have been propagated during this debate.

First, contrary to what we may have heard, religious charities are not the victims of discrimination; far from it. Religious charities now administer billions of dollars in public funds every year. Catholic Charities, the Federation of Protestant Welfare Agencies, and other church groups and many other church groups and many other religious communities have worked with religious charities and have helped them grow.

Myth one: Religious charities must be allowed to discriminate in employment and services using public money in order to do their jobs properly. Why? Why does a Jewish lunch program need to hire only Jews to serve the lunch? Why does a Baptist homeless shelter need to hire only Baptists to provide the blankets? I thought that this was a settled issue in our society, but apparently it is not.

Let me ask my colleagues, on the road to Jericho, did the good Samaritan ask the wounded traveler whether he was of a certain faith or whether he was gay or whether he was of the proper race? If the answer is no, then why would we think it necessary for churches to do this now, with public funds, if they have not already been told that current law already allows such discrimination. Yes, it does, but only with church funds. But this bill is different. This bill allows that discrimination not just with
church money but with public money in purely secular activities or what we are told are purely secular activities. That is very new and very, very wrong.

Myth three: This bill preserves State laws. Not true. The gentleman from Wisconsin (Mr. SENSENBRENNER) made clear in the markup in the committee that he does not. The bill allows broad religious discrimination and nullifies the laws of 12 States and more than 100 localities to the contrary. Do not be fooled by the argument that this applies only to lesbian and gay rights, important though they are. This applies to all local antidiscrimination laws, whether they protect women or minorities or single mothers or whatever local communities may have committed to take a stand on. That is very new and very, very wrong.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. Scott).

Mr. SCOTT. Mr. Speaker, I rise in strong opposition to H.R. 7. While it has been described as a plan to help religious organizations to receive and administer government funds, charitable choice in reality is a fundamental assault on our civil rights laws.

In this debate, let us be clear. The major impact of H.R. 7 will be to allow religious sponsors who want to receive Federal funds to discriminate in hiring based on religion. Any program that can get funded under H.R. 7 can get funding today, except those run by organizations that insist on the right to discriminate in hiring.

So when we hear about all the programs that can get funded, let us tell the truth, all of them can be funded today if the sponsors are willing to follow civil rights laws, just like all other Federal contractors. Just do not discriminate in hiring.

So this bill is not about new programs which can get funded. There is no new money in the program. Any program funded under H.R. 7 can be funded now. This bill provides no new funding, just new discrimination.

Whatever excuse there is to discriminate based on religion in these programs should apply to all Federal programs. In fact, it would apply to all private contractors or all private employers.

Why should a manufacturer be required to hire people of different faiths? The answer is it is the law. Because of our sorry history of discrimination and bigotry in the past, we have had to pass laws to establish protected classes.

So someone can choose their employees any way they want, except they cannot discriminate in hiring based on sex, race, color, creed, national origin, or sex. This principle was established in Federal defense contracts when President Roosevelt signed Executive Order 8802 on June 24, 1941. Now, 60 years later, here we are allowing sponsors of federally funded programs to discriminate in hiring.

There are a lot of other problems with this bill, but we ought to defeat this bill strictly because of the fact that it allows new discrimination in hiring.

Mr. CONYERS. Mr. Speaker, in consultation with the chairman of the committee, I ask unanimous consent that each side be given 10 additional minutes.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Michigan?

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, I would point out to the gentleman from Michigan that while I personally have no objection, the general debate time is controlled by the Committee on Ways and Means. I would suggest that he request that of the chairman of the Committee on Ways and Means when he comes back to the Chamber, I am afraid that I would be trodding on their turf, so I would ask him to withdraw his unanimous consent request.

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

Mr. CONYERS. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

Mr. CONYERS. Mr. Speaker, I yield 2 minutes and 5 seconds to the gentlewoman from California (Ms. LOFGREN).

Ms. LOFGREN. Mr. Speaker, if we take time to review the details of this bill, we will see it is bad for America. The premise that religious people cannot help solve America's social problems is simply wrong. I spent 14 years in local government. We worked with Catholic Charities and many others. We do not need this radical departure from the Bill of Rights to work with Catholics, Protestants, Buddhists, Hindus, Sikhs, or Jains to solve America's problems.

Consider the plain language of the first amendment: "Congress shall make no law respecting an establishment of religion." I think that is clear. But this bill would tax money and give it directly to churches. How can that not run afoul of the constitutional prohibition against the establishment of religion?

Our country was started by people of different faiths. The answer is it is the law. Because of our sorry history of discrimination and bigotry in the past, we have had to pass laws to establish protected classes.

When government becomes involved in establishing or preferring religions, trouble follows. Will the Sikhs or Hindus leave the day care center? Will the Muslims or Jews run the nursing home where your mother will live? Pity the local government who must decide.

With government money comes interference and perhaps improper conduct. Do these funds go to friends of the President? Does the Salvation Army get a financial benefit for political work? Thomas Jefferson is famous for the observation that "... intermingling of church and State corrupts both."

Finally and incredibly, there are special interest provisions in this bill that do not even relate to religion. Look at section 104.

Astonishingly, the bill creates a special class of victims without rights, nonprofit and religious groups who rent vehicles from businesses. An example: Corporation A leases a van with bald tires to the Baptist Youth Choir. The van overturns. With section 104, Corporation A cannot be held liable. Why should religious and nonprofit groups be victimized with impunity?

This bill will result in outcomes not desired by the American people. It will end up undercutting religion as well as religious freedom. It will enrage Americans by using their tax dollars to subsidize religious beliefs they disagree with. It undercut our Constitution, provides not one additional cent of tax money to help the poor, and will end up stimulating religious conflict and racial and religious discrimination. Please have the good sense to vote no.

Mr. CONYERS. Mr. Speaker, I ask unanimous consent for each side to have 10 additional minutes, having consulted with my leader on the Committee on Ways and Means, the gentleman from New York (Mr. RANGEL).

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

Mr. THOMAS. Reserving the right to object, Mr. Speaker, I yield to the gentleman from New York (Mr. RANGEL) in terms of the statement of the gentleman from Michigan.

Mr. RANGEL. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, it seems as though, on this very controversial but important subject matter, there are so many Members who would like to share their views before we have time to vote on this, and in view of the fact that the Committee on the Judiciary has had just over 10 minutes to review this and the time was split and they need additional time, if there is any technicality because the Committee on Ways and Means would follow them that
interferes with them getting unin- 
nomous consent, I would like to yield to Mr. 

Mr. THOMAS. Continuing to reserve my right to object, Mr. Speaker, I would tell the gentleman that actually we have 2 hours of debate on this question. As the Speaker indicated in announcing the rule, there is an hour of general debate and an hour on the sub-

suggestion is running a child abuse preven-
tion charitable organization in my community, I should be able to be hired. Under this bill, although it has good intentions, it forces direct monies into religious institutions, not requir-
ing them to comply with any means of preventing discrimination.

Martin Luther King said "Injustice anywhere is injustice everywhere." Discrimination on the basis of religion somewhere is discrimination every-
where. What we want here is an under-

standing that we embrace faith, but we do not embrace discrimination. Change this legislation, eliminate the discrimi-

natory aspects, eliminate the voucher program, eliminate the direct funding of religion, and James Madison's voice and spirit will live and the Bill of Rights will live, and we can all support this legislation.

Mr. CONYERS. Mr. Speaker, I yield 1 1/2 minutes to the gentlewoman from Wisconsin (Ms. BALDWIN).

Ms. BALDWIN. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, this debate is about the fundamental relationship between a democratic government and religious institu-
tions.

The first amendment has two purp-
poses. First, it is designed to prevent the government from using its power to promote a particular religion. Sec-

ond, it is designed to protect religious institutions from unwarranted intru-
sions of government.

I believe H.R. 7 endangers both of these purposes. This bill expands the religious exemption under Title VII to clearly nonreligious activities, and it preempts State and all other local non-
discrimination laws. For the first time, Federal dollars, public funds, will be used to discriminate; or put another way, Americans can be barred from receiving or services. Our country has been founded on the ability to be able to practice one's faith without intrusion. But rather, I would hope that this particular debate will focus around the intent and the understanding of James Madison, the father of the first amend-
ment. Madison indicated that he believed that the commingling of church and State was something that should not exist, and that he apprehended the meaning of the establishment clause to be that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof." This Constitutional principle has two purposes. First, it is designed to prevent the government from using its power to promote a particular religion. Our Founding Fathers right-
ly saw that true freedom of worship was im-
possible if the State advantaged one religion over others.

The second purpose is to protect religious institutions from the unwarranted intrusion of government. The independence of religious in-
stitutions from the hand of government is funda-
mental to the free exercise of religion.

I believe H.R. 7 endangers both of these purposes and therefore undermines our na-
tion's commitment to the free exercise of reli-
gion. This bill will allow religious institutions to accept direct government funding of social service programs. While it purports to ban proselytizing using tax dollars, it still permits the mingling of religion and government as never before seen in our country. It extends the reach of government into the private reli-
gious sphere. And I believe it is unconstitu-
tional.

It is not in the best interest of our religious institutions to have government agencies pick and choose which church or synagogue or mosque should get taxpayer dollars. As my colleague Mr. Schiff of California said in the Judiciary Committee, "would it be appropriate for Members of Congress to write letters in support of one church's grant application or against another?" Would it? Is that a good idea? What future rules will we apply to these funds? Will the Bishop or the Rabbi come by to lobby for funding? If a church violates the rules or is suspected of fraud, do we really want the government digging into their books?

Our Founding Fathers created the Establish-
ment Clause as an insurance policy. Their answer was no. In a letter written in 1832, James Madison wrote, "it may not be easy, in every possible case, to trace the line of separation between the rights of religion and the civil authority with such distinctness as to avoid collisions and doubts on unessen-
tial points. The tendency of a usurpation on one side or the other, or a corrupting coalition or alliance between them, will be best guarded by an entire abstinence of the government from interference in any way whatsoever."

We have recently seen the impact of entre-
lang government and religion in the case of the White House and the Salvation Army. The Salvation Army, a religious charity, has lob-
bied and been lobbied by the White House to promote this legislation. According to news-
paper accounts, the Salvation Army was pre-
pared to spend hundreds of thousands of dol-
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non-discrimination laws. For the first time, public funds will be used to discriminate in employment. Or put another way, Americans can be barred from federal employment on the basis of their religion.

Under this bill, a Protestant church could refuse to hire a person who is Jewish to work in their day care or a Muslim soup kitchen could refuse to hire a Catholic to serve meals to the hungry. But not only that, a church could refuse to hire a person who is divorced if divorce is against that church's tenets and teachings, even though the position is involved only in a secular activity.

Expanding a religious institution's ability to discriminate in employment to include secular enterprises is just the start of the discrimination in this bill. The bill also preempt all state and local laws against discrimination. Thus, if a state protects its citizens from discrimination on the basis of sexual orientation, real or perceived gender, marital status, student status, or other bases the moment federal funds are commingled, religious institutions are allowed to discriminate. We hear a great deal about local control, but this bill eviscerates these state and local non-discrimination laws.

That is why the Gentleman from Massachusetts, Mr. FRANK, and I proposed an amendment in the Rules Committee. It is very simple, just one line. "Notwithstanding anything to the contrary in this section, nothing in this section shall preempt or supersede State or local civil rights laws." Unfortunately, the Rules Committee refused to make our amendment in order, denying the House the opportunity to have an up or down vote on this critical issue.

The House still has an opportunity to correct this major problem with the bill. The Democratic Substitute maintains non-discrimination protections in current Federal, State and local law. I urge all of my colleagues to support the substitute.

It is very distressing that the proponents of this bill desire to chip away at our civil rights and non-discrimination laws. And it is even more distressing that they are using religion as a cover. Civil rights and religious freedom go hand in hand. Undermine one and you undermine the other. In the Federalist Papers Number 51, James Madison noted this interrelationship: "In a free government, the security for civil rights must be the same as that for religious rights. It consists in the one case in the multiplicity of interests, and in the other in the multiplicity of sects."

Mr. Speaker, it is a mistake for government and religion to become entangled. I urge my colleagues to reaffirm our commitment to the separation of church and state by defeating this misguided legislation.

Mr. CONYERS. Mr. Speaker, I am pleased to yield the balance of my time to my distinguished leader, the gentlewoman from California (Ms. WATERS).

The SPEAKER pro tempore. The gentlewoman from California (Ms. WATERS) is recognized for 2 minutes and 10 seconds.

Ms. WATERS. Mr. Speaker, I think it is important for some of us to say that we were raised in church, and that we are religious people. We went to Sunday school every Sunday when I was a little girl coming up. We went back to the 11 a.m. service with our parents, and then we went back at 6 o'clock in the evening to BYPU for the young people.

I do not want anybody to think that because we are against this bill, somehow we are not religious, or we do not believe in religion. We certainly do. What we do not believe in is discrimination. We cannot, as public policy-makers who understand the Constitution and appreciate it, and understand the struggle of those people who came to this country fleeing religious oppression, sit here and allow something called a faith-based program to re-institute discrimination. It is wrong, and we cannot stand for that.

Religious organizations in this country participate in this government in many ways. For those people who say we have to have this bill in order to have participation, they are wrong.

Let me just tell the Members, last year Lutheran Services, the largest faith-based organization to receive government aid, received about $2.7 billion, Jewish organizations received about $2 billion in government aid, Catholic Charities received $1.4 billion, and the Salvation Army received $400 million.

So what are we talking about? They have separate 501(c)(3)S that they apply under because they separate from the collection plate the money that comes from the government in order to carry out these programs, and that is the way it should be. We should never allow commingling of the government and taxpayers' dollars in the collection plate. It is wrong, it violates separation of church and State, and we should stop it on this floor right now, and not support the so-called faith-based organization initiative.

I would like to quote from the 1996 Welfare Reform Act. And at the conclusion of this legislative proposal. And at the conclusion of these hearings, two points were very clear. First, the charitable choice provisions of H.R. 7 are completely consistent with the Constitution. And second, faith-based organizations play a vital role in providing social services to the most desperate among us.

I would like to quote from a speech that was made a while back to the Salvation Army: "The men and women in faith-based organizations are driven by their spiritual commitment. They have sustained the drug addicted, the mentally ill, the homeless, they have trained them, they have educated them, they have cared for them. Most of all, they have done what government can never do: they have loved them."

Do my colleagues know who said that? Al Gore. Now I do not always agree with Al Gore, but I certainly agree with him in that particular instance.

This is legislation which is very important to the President. I want to thank the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), and my colleagues for getting us to this point today. We want to make sure that this withstands any constitutional challenge that might be made against it. This is excellent legislation which will literally help thousands and thousands of the most desperately needy people in this country.

I want to thank the chairman for his leadership again on this. Let us pass this legislation today. It is important to an awful lot of people.

Footnote 7 of the Dissenting Views states that H.R. 7 does not contain language from the 1996 Welfare Reform Act that indicated its provisions were not intended to supersede State law, and therefore the absence of such provision from H.R. 7 means it somehow pre-empts State law. That is a mischaracterization of the provision in the 1996 Welfare Reform Act. It would have referred to in the 1996 Act was simply a "savings clause" that recognized that some states have provisions in their constitutions and state laws that don't allow them to spend state funds on faith-based organizations. The savings clause simply recognized
that in those states with such laws, they could discriminate, and there is no requirement under state law, but that they could also use federal funds in accordance with the charitable choice provisions of the 1996 Welfare Reform Act. Concerning the Act, Congress, 1st Session (December 20, 1995), at 361—the previously adopted welfare reform bill with the identical provisions that found the Welfare Reform Act of 1996—provides the following explanation for the subsection: “Subsection (k) states that nothing in this section shall prohibit the expenditure of State funds in or by religious organizations. In some States, provisions of the State constitution or State statute prohibit the expenditure of public funds in or by sectarian institutions. It is the intent of Congress, however, to encourage States to involve religious organizations in the delivery of welfare services to the greatest extent possible. The conferees do not intend that this language be construed to require that funds provided under Federal government referred to in subsection (a) be segregated and expended under rules different than funds provided by the State for the same purposes. States may provide for State or Federal funds, as necessary to allow full participation in these programs by religious organizations.” H.R. 7 is to the same extent. Subsection (j) provides that insofar as states use federal funds, or mingle state and federal funds, and use them for covered programs, the federal rules in H.R. 7 apply. If States separate out their state funds, then they can of course use them without any federal conditions attaching.

Claim that millions of dollars already go to groups like Catholic Charities, so there is no problem to fix

The Dissenting Views point out that millions of dollars go to large organizations such as Catholic Charities every year, but fail to consider that these are large, separately incorporated and secularized organizations, not churches. The purpose of H.R. 7 is to allow voluntary organizations to separate out federal funds provided by the State for the same purposes. States may provide for State or Federal funds, as necessary to allow full participation in these programs by religious organizations.” This provision allows religious organizations to continue to be able to hire based on religion while taking part on federal programs.

The Child Support Distribution Act of 2000 also contained the charitable choice provisions of the Welfare Reform Act of 1996. Mr. Scott offered a motion to recommit the bill with instructions to remove the charitable choice provisions allowing religious organizations to continue to receive funds under the designated programs to make employment decisions on religious grounds. This motion was defeated 176-249, by a 235 vote margin including 34 Democrats. The bill was then adopted by the House by a vote of 328-93, by a 235 vote margin. Constitution Subcommittee Ranking Member Nadler voted for the bill and voted against other Democratic Members of the House Judiciary Committee. Other Members were Shelley Jackson-Lee, Boucher, Delahunt, and Meehan.

The Child Support Distribution Act of 2000 also contained the charitable choice provisions of the Welfare Reform Act of 1996. Mr. Scott’s motion to recommit with instructions would have removed the charitable choice provisions allowing participating religious organizations to make employment decisions on religious grounds. The motion was defeated 175-249, by a 235 vote margin including 34 Democrats. The bill was then adopted by a vote of 305-18, by a 237 vote margin. Constitution Subcommittee Ranking Member Nadler voted for the bill, as did eight other Democratic Members of the House Judiciary Committee. Other Members were Conyers, Watt, Jackson-Lee, Logren, Berman, Boucher, Meehan, Delahunt, Wexler, Baldwin, and Weiner.

Claims regarding statements made by President Clinton when he signed previous charitable choice laws

The Dissenting Views incorrectly state that prior charitable choice laws were enacted without the support of President Clinton. Clinton later stated in his own words that the measure was “a major victory for religious liberty.” The required separation from the program funded under subsection (c) is not being used to fund “pervasively sectarian” organizations, as the term has been defined by the courts.”
Claim that current charitable choice laws have been barely implemented

The Dissenting Views states that current charitable laws in the state are very limited. The state's legislature has only a few laws that address charitable organizations. According to the views, the state has not fully implemented the federal guidelines for charitable choice programs.

Claim regarding the number of charitable choice programs

The Dissenting Views argue that there have been five lawsuits filed challenging existing charitable choice laws. They claim that the lawsuits are without merit and that the state has not been implementing these laws.

Claim that H.R. 7 allows discrimination against beneficiaries

The Dissenting Views incorrectly states that H.R. 7 allows discrimination against beneficiaries because its terms only refer to a prohibition on discrimination against beneficiaries on the basis of religion. First, courts will interpret “on the basis of religion” in the same way they do when interpreting the Title VI exemption, which is also a religious exemption. Therefore, any claim that H.R. 7 would be doing so under the normal doctrines of guardianship law.

Claim that all levels continue to explore innovative collaboration

The Dissenting Views incorrectly states that all levels of government are joining the states in exploring these new ways to provide services to its constituents. In fact, according to the views, all levels of government are not exploring innovative collaborations.

Claim that faith-based organizations are in a position to provide human services

The Dissenting Views incorrectly states that faith-based organizations are in a position to provide human services now offered through FBOs (faith-based organizations) and congregations working in tandem with local and state welfare agencies.

Claim that religious groups in the nine states are in a position to provide human services

The Dissenting Views incorrectly states that religious groups in the nine states are in a position to provide human services now offered through FBOs (faith-based organizations) and congregations working in tandem with local and state welfare agencies. In fact, according to the views, religious groups in the nine states are not in a position to provide human services.
middle of the night.’’ Well, subsection (l) was typed on the same page, in the same font, and font size as any other provision in the amend-
ment, and the amendment was distributed the afternoon before the markup, at about 3 o’clock. Subsection (l) was not buried in a footnote like many other provisions in the amendments. The sections of the amendment consisted of a mere 13 pages, double spaced, in standard legislative counsel format. Of course, we had been working on changes, but we didn’t have the final draft until that afternoon and therefore couldn’t distribute it to our Republi-
can colleagues until the day before the markup too.

Claims on indirect funding that are internally inconsistent

The Dissenting Views are internally inconsis-
tent on the significance of indirect fund-
ing. As the chair of the Senate Finance Committee, I have considerable

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duty and providing an example of the way of a life a church seeks to foster. Id. at 547. Per-
mowing the distinction one of the greatest liberals at Justices, then, recognized that preserving the Title
VII exemption when religious organizations engage in social services is a necessary ele-
ment of religious freedom.

Mostly importantly, faith-based organiza-
tions and employees and volunteers can do their work. While the task of helping the poor and needy is “secular” from the perspective of the Gov-
ernment, from the viewpoint of the faith-

based organization and its dependents, it is a ministry of mercy given by faith and guided by faith.

Claim that H.R. 7 allows a faith-based organiza-
tion to discriminate based on interracial
dating or marriage

The Dissenting Views claim that H.R. 7 will per-
mit employment discrimination on the basis of inter-racial marriage. The cited source, an NAACP memo, plays off Bob
Jones University v. United States, 461 U.S. 574 (1983). The claim in false. Title VII pro-
hibits racial discrimination in employment by faith-based organizations. It is an act of faith to hire on the basis of race when they receive Federal funds indirectly. Apparently there is dissent even within the Dissenting Views.

Claim that “you can’t have it both ways” on

non-proselytization and hiring on a reli-
gious basis

The Dissenting Views state that the Major-
ity “cannot have it both ways”—either the Federal funds will be used for religious pur-
poses, in which case there may be a justifica-
tion for tolerating religious discrimination [in hiring]; or the funds will be used in a non-
sectarian manner, in which case there is no reason to discriminate [in hiring] on the basis of religion.” This totally misses the point that faith-based organizations perform secular social services motivated by reli-
gious conviction. They want to provide so-
cial services as a church. While the task of serving the poor and needy is “secular” from the viewpoint of the government, it is a ministry of mercy driven by faith and guided by faith. As the chair of the Senate Finance Committee, I have considerable

Justice Brennan makes this same point in his concurring opinion in the Amos case, which galvanized the current Title VII exempt-
tion for religious organizations seeking to

preserve the religious character of their organization. Justice Brennan recognized that many religious organizations and associa-
tions engage in extensive social welfare and charitable activities, such as operating soup kitchens and day care centers or providing aid to those poor and the homeless. Even where the content of such activities is secular—in the sense that it does not include religious teaching, proselytizing, prayer or ritual—he recognizes that religious organizations “will be far more likely to be ‘infused with a religious purpose.’” Amos, 483 U.S. at 547 (Brennan, J., concurring). He also recognizes that other religious entities “often regard the provision of such services as a means of fulfilling religious
vote on this bill, would look at the con-
sequences of voting no, especially in
regard to titles II and to title III. These
are sections of the bill that should be
passed into law. And from my reading of
the Constitution, section II should
be as well.

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

Mr. LEWIS of Georgia. Mr. Speaker,
yield myself such time as I may con-
sume, and I want to thank the gen-
tleman from New York (Mr. RANGEL),
the ranking member, my friend and
colleague, for allowing me to control
this part of the debate on this bill.

Mr. Speaker, H.R. 7 is wrong for
America. Allowing religious organiza-
tions to provide much-needed social
services to disadvantaged people or
people in need sounds like an innocent
way to solve many of our problems.
But the truth is that it allows these or-
ganizations to use Federal dollars, the
taxpayers’ dollars, to discriminate in
their hiring, while the Constitution, sec-
tion II, is not right. It is not fair. It is
not fair.

I have spent more than 40 years of
my life fighting against discrimina-
tion. We have worked too long and too
hard, and we cannot sit back and watch
the work of so many people who sac-
rificed so much be undone by this bill.
We have come too far in this country
to go back now. The House should not
support a bill that allows the Govern-
ment to promote discrimination, or re-
turn to the days when religious intoler-
ance was permitted. It is not the right
ting to do. It is not the right way to
go. It is not the way to use the Tax
Code.

Furthermore, this bill is an assault
on the separation of church and State.
This concept underlies our democracy.
Yet H.R. 7 compels a citizen, through
his tax dollars, to fund religious orga-
nizations. Tax dollars will go directly
to churches, synagogues, and mosques.
The wall between church and State
must be solid. It must be strong. It has
guided us for more than 200 years. It
must not be breached for any reason.

There is no doubt, Mr. Speaker, that
there are many religious organizations
and institutions providing much-need-
ed services to our citizens. But as a
government and as a Nation, we should
ever sanction religious discrimination
or violate the separation of church and
State. I urge my colleagues to vote
against H.R. 7.

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

Mr. THOMAS. Mr. Speaker, I yield 2
minutes to the gentleman from Illinois
(Mr. CRANE), a member of the Com-
mittee on Ways and Means.

Prior to that, however, I ask unani-
mous consent that the gentleman from
Michigan (Mr. CAMP) be allowed to
manage the remainder of my time.

The SPEAKER pro tempore (Mr. LAHODD). Is there objection to the re-
quest of the gentleman from Cali-
ifornia?

There was no objection.

The SPEAKER pro tempore (Mr. CRANE) is rec-
ognized for 2 minutes.

Mr. CRANE. Mr. Speaker, I thank
the gentleman for yielding me this
time.

We now have an excellent oppor-
tunity to advance sound tax policy and
sound fiscal policy and sound social
policy by returning to our Nation’s his-
torical emphasis on private activities
and personal involvement in the well-
being of our communities. Because the
legislation we are considering contains
a number of worthwhile provisions that
I believe will help encourage people
to give to charity, I rise today to express
my support.

Mr. Speaker, I have long been an ad-
vocate in making changes in the Tax
Code to encourage charitable giving.
For many years, I have championed
and sponsored some of the proposals
contained in the legislation we have
to consider today, including the chari-
table IRA rollover and the deduction
for nonitemizers. In fact, I do not be-
think there is a Member in Congress
who has fought longer and harder for
restoring a charitable deduction for
nonitemizers than me. I have intro-
duced the nonitemizer deduction legis-
lation in every Congress since the 99th,
and it is gratifying to finally see its in-
cision in this legislation.

I would like to thank the gentle-
man from Oklahoma (Mr. WATTS) for in-
cluding my provisions in H.R. 7, and
the chairman, the gentleman from Cali-
ifornia (Mr. THOMAS), for including it
in the mark. While I am pleased that the
nonitemizer deduction was included in
H.R. 7, I am disappointed that the limi-
tations on the amount of the deduction
were set so low. I hope to be able to
work with the chairman in the future
to raise the limit up to the standard
deduction.

Mr. LEWIS of Georgia. Mr. Speaker,
yield 2 minutes to the gentleman from
New York (Mr. RANGEL), the Com-
mittee on Ways and Means ranking
member.

Mr. RANGEL. And now, my col-
leagues, we get to act two of this bill.
And as was indicated by the chairman
of the committee, while the tax provi-
sions may not be unconstitutional, in
my view they are unrealistic.

The President has seen fit to provide
some $84 billion to taxpayers in order
to encourage them to do the right
thing, to make charitable contribu-
tions. But there was no money to do
that today, including the Com-
mittee on Ways and Means reduced the
$84 billion down to $13 billion. Well,
we cannot do much with that if we want
to give incentives to those people who
do not itemize. But in order to make cer-
tain that this size 12 foot fits into the
size 8 shoe, what do we do about the
amount that a person could deduct?

Now, listen to this, because if you are
a charity, you are in trouble. The cap
on the amount of money that a tax-
payer who does not itemize can give is
$25. Of course, if it is a married couple.
And that decreases dramatically to $50.
If an individual is in the 15 percent bracket,
they will be able to get a return up to
$3,75. So much for a realistic incentive.

What we are trying to do with the $13
billion is at least to pay for it, and we
believe that the highest-income people
in this country can afford to pay for at
least the $13 billion that hopefully will
be given to those people in our great
society that are least able to take care
of themselves. It should not be that we
should have to give incentives. But if
we have to do it, let us give those that
can really work.

Mr. CAMP. Mr. Speaker, I yield 2
minutes to the gentleman from Ohio
(Mr. PORTMAN), a distinguished mem-
ber of the Committee on Ways and
Means.

Mr. PORTMAN. I thank my colleague
and rise in strong support of this bill
because it will help Americans who are
most in need.

Over the past decade, Mr. Speaker,
our Nation has enjoyed great pros-
perity, but it has not reached every-
body. And the idea of this legislation is
to try to reach people who have been
left behind and to try to get at our
very toughest social problems.

Some, including some I have heard
earlier today, think the Government is
the answer; that the Government is
going to solve these problems. The
Government can solve some of these
problems; but we know from experience
that when it comes to helping those
most in need, there is no questioning the
great success of community groups,
of faith-based groups, of our churches,
our synagogues, our temples reaching
out to people. And not just helping
them in their immediate need, but help
people help themselves by transforming
lives. That is what this is all about.

Currently, government regulations
often prohibit Federal assistance to
support these institutions.

That is a fact. That is what we are
trying to break down. We have heard a
lot of discussion today about how this
raises concerns.

Opponents today have said it violates
the separation of church and State.
Not true. This bill strictly follows the
boundaries that have been established
over time by the Constitution and by
numerous court decisions. These funds
will not be used for religious purposes.
These funds will be used to fund the
good work that these groups are doing
in our communities.

We have heard opponents say this bill
threatens the independence of religious
organizations. That is not true. First of
all, it is entirely voluntary. No reli-
gious organization must partner with
government to get these funds. Second,
the legislation contains specific protections to prohibit the Federal government from interfering with the internal governance of the religious organizations.

We have heard opponents say this bill discriminates in employment. Not true. This legislation strictly protects the exception for religious organizations that were first established in the Civil Rights Act of 1964. This exemption allows religious organizations to maintain their character and mission by hiring staff that share their beliefs. That is all. That exemption continues. Organizations still must comply with all Federal laws regarding discrimination.

I would say Congress has passed four bills during my tenure here that President Clinton signed that have similar charitable choice provisions.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 5 seconds to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, President Bush has said we should fund the good work of the faithful but not the faith itself. I agree. Unfortunately, somewhere along the line the administration's proposal as reflected in the bill before us lost track of the goal of providing additional funds for faith and community groups to help needy families. Instead, the bill promotes government-funded religious discrimination, turning the President's campaign proposal on its head.

President Bush and the authors of H.R. 7 have continually failed to acknowledge that religious charities can and already do receive government funding to address poverty and other social problems. For example, Catholic Charities receives two-thirds of its budget from Federal, State and local government. The armies of compassion are already marching with the Federal government's thanks, blessing and money.

The bill before us does not provide a single dime in new money for these programs, no new resources for child care, social services, substance abuse treatment, housing or any other pressing need that the community and faith-based organizations are working to meet.

I asked the Committee on Rules to make an amendment in order that we would have backed up our bold talk with badly-need funds. My amendment would have increased resources for the child care and the social services block grant, two programs that are under-funded and have a long and successful record of supporting faith-based organizations. Unfortunately, the Committee defunded the amendment along with a number of other amendments that would strengthen this bill.

Rather than providing real assistance to religious charities to serve needy families, the President's initiative focuses on allowing groups receiving government money to discriminate in their hiring practices. In fact, the proposal goes so far as to preempt State and local laws on prohibiting employment discrimination.

Proponents of the H.R. 7 have said they are simply continuing a current exemption to the Civil Rights Act, as the gentleman from Cincinnati (Mr. PORTMAN) just said, for the hiring practices of religious organizations.

This exemption is a common sense provision that ensures a synagogue is not required to hire a Catholic as a rabbi and a Christian church is not required to hire a Jew as a priest. However, the bill before us today is talking about something very different, allowing discrimination in secular jobs which are directly supported with government dollars. Such discrimination is not only wrong, it is unconstitutional.

In its decision on this specific issue, Dodge v. Salvation Army, a U.S. District Court ruled, and I quote, "The effect of government substantially, if not exclusively, funding a position and then allowing an organization to choose the person to fill or maintain that position based on religious preference clearly has the effect of advancing religion and is unconstitutional."

Mr. Speaker, there is no disagreement that the Constitution gives religious organizations the right to play in addressing our Nation's problems. However, many of us are concerned about the proposal that it attempts to bypass constitutional protections while simultaneously failing to provide the resources to achieve its stated purposes.

Mr. Speaker, I urge my colleagues to support the substitute that provides the protections and to reject the underlying bill.

Mr. CAMP. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, Americans in communities across the country give their time, their talents and their money to help worthy causes. We have always been a generous people. DeToqueville noted this in the mid-1800s when he spoke of the unique American tradition of volunteerism. No matter the social or economic burdens of Americans, extraordinary actions to make a difference and to help those in need, not because they must but because they care.

H.R. 7 is a reflection of President Bush's vision to tap into the generosity of average Americans by expanding tax breaks for charitable donations and by encouraging all organizations to participate in caring for those in need.

Currently, taxpayers who itemize their returns get to take a charitable deduction. Unfortunately, the Tax Code leaves out the nearly 70 percent of taxpayers who do not itemize. H.R. 7 eliminates that restriction. It puts a toe in the door. It rewards the tax payer's charitable choice and will lead to a corresponding boost in donations. The bill also allows wealthy retired individuals to donate more money from their IRA without a tax penalty. Older people with means who want to help the community by donating to charity should be encouraged and not punished by the Tax Code.

Lastly, we should continue developing public-private partnerships between the government and charitable organizations.

Some critics claim that this is a dangerous blurring of politics and religion. With great respect, I disagree. I believe that by supporting this bill we honor our common commitment and belief in helping our fellow human beings.

Mr. LEWIS of Georgia. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the Community Solutions Act, Democratic Substitute, as there are thousands of communities and millions of people in our country who have serious problems and are in need of real solutions.

I urge my colleagues to support this legislation, not because I believe that it is a panacea, I don't believe in one-stop cure-alls for the overwhelming magnitude of social, emotional, spiritual and economic ills which plague our society and are in need of every rational, logical, and proven approach that we can muster.

And yes, Mr. Speaker, I support this legislation because I have faith, faith in the ability of religious institutions to provide human services without proselytizing, I have faith in these institutions to organize themselves into corporate entities to develop programs, to keep records, to manage their affairs in compliance with legal requirements. I also have confidence in the ability of these institutions to magnify the Golden Rule, "Do unto others as you would have them do unto you."

I have listened intently to the issues raised by my colleagues who have expressed serious concerns about this legislation and I commend them for their diligence. I appreciate their concerns about charitable choice, ranging from discrimination to infringement on individual liberties.

However, charitable choice is already a part of three federal social programs: (1) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996; (2) The Community Services Block Grant Act of 1998, and is part
of the 2000 Reauthorization of funding for the Substance Abuse and Mental Health Services Administration. Each of these programs possess the potential of helping those suffering from poverty, or treating those suffering from chemical dependency, and the programs seem to achieve their purpose by providing resources in the most effective and efficient manner. The opponents of this legislation have expressed concern about the possible erosion of rights and protections of program participants and beneficiaries. (And rightly so, nothing could be more important). Therefore, I am pleased that after serious scrutiny and debate we have language which protects our citizens and repudiates employment discrimination on the basis of race, color, religion, national origin or sexual preference.

The overall purpose and impact of this legislation can be good. It reinforces for us the fact that many people in poverty, suffer from some form of drug abuse, alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter-drugs. Many of these individuals have been beaten down, have virtually given up, and have lost the will to overcome their difficulties. It is in these instances and situations, Mr. Speaker, that I believe the Community Solutions Act can and will help the most.

It reminds us, Mr. Speaker, that poverty, deprivation and the inability to cope with anxiety, frustration, homelessness, are still rampant in our country. Let’s look, if you will, at an ex-offender, unable to get a job, illiterate, dispossessed, disabled, and in some instances, even legally dispossessed or denied a right to any kind of educational pursuits. How are we going to turn these individuals around? How are we going to help them help their fellow citizens who told us that welfare reform will not work; and look at the result? Only yesterday, a Democrat told us that welfare reform is a failure. Mr. Speaker, why are my colleagues doing this bill? There is only one reason. It is a subterfuge.

The legalization of the drug problem in this country is so overwhelming, so difficult to deal with, so pervasive . . . the mental health challenges require so much, the abused, neglected and abandoned problems require psychiatrists, counselors, psychologists, well developed pharmaceuticals, and all of the social health, physical health and professional treatment that we can muster, but I also believe that we could use a little Balm of Gilead to have and hold, I do believe that we could use a little Balm of Gilead to help heal our sin sick souls.

Mr. Speaker, I am told that the cost of drug abuse to society is estimated at $16 billion annually, in less time than it takes to debate this bill, another 14 infants will be born into poverty in America, another 10 will be born without health insurance, and one more child will be neglected or abused. In fact, the number of persons in our country below the poverty level in 1999 was 32.3 million.

This legislation recognizes the fact that we must commandeer and enlist every weapon in our arsenal to fight the war against poverty, crime, mental illness, drug use, and abuse as well as all of the maladies that are associated with these debilitating conditions. H.R. 7, the Community Solutions Act of 2001, can lend a helping hand.

But it cannot be allowed to help expand this war of criminalization; therefore, I urge that we vote for the democratic substitute and the motion to recommit.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. McDERMOTT).

Mr. McDERMOTT. Mr. Speaker, whenever we pass this legislation, we have to ask ourselves, what is broke? What are we trying to fix?

The gentleman from Virginia (Mr. SCOTT) has very clearly said any religious organization can accept money. In the present situation, this bill is not needed. Catholic Charities gets 62 percent. That equates to $1.4 billion a year from the Federal Government. The Salvation Army gets $400 million a year. United Jewish Communities, their nursing homes get 76 percent of their budget. Does this mean that these programs are not needed, or needs are being met? Lutheran Services gets 30 percent of their $6.9 billion from the Federal Government. That is $2.6 billion.

Mr. Speaker, my colleagues tell me that faith-based organizations need faith in God and money. That is precisely what the Treasury Department is not letting us do. We are skipping around the court case we heard about. We want to give the ability of religious organizations to break the chain of death. They have to wait a year to get the money. That is an outrage. I got religion in a lean-to many years ago, so there is very little my colleagues can tell me about faith based. But they can say to me that they want to discriminate, and I can hear that in whatever language they speak it in.

Mr. Speaker, the other side of the aisle is giving a set-aside. That is what my colleagues are doing. It is a set-aside with Federal funds for religious organizations, and it is a subterfuge. It is a set-aside on civil rights.

It is well-intended. There are some good people behind this bill, and there are some good people behind slavery. We do not want that to happen again. We have to watch this. There is no one in this Congress that is more faith based than I am, so I should have every reason to support this bill. Mr. Speaker, I am afraid of this bill. Some of the little churches in my community are going to be misguided and misrepresented; and, before we know it, they will be in Federal court because of some of my colleagues’ foolishness trying to spread out and do something.

Mr. Speaker, why are my colleagues doing this bill? There is only one reason. It is a subterfuge.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SAM JOHNSON), a distinguished member of the Committee on Ways and Means.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH. Mr. Speaker, the real issue today is, will blind ideology and partisan politics stand in the way of our investing in successful faith-based programs, in communities and families, and in individuals truly in need? The naysayers today are the same people who told us that welfare reform would not work; and look at the results.

For years, faith-based charities have reached out, making it their mission to serve our communities. They work to support those who are struggling and have broken lives. These groups provide help with after-school care, drug treatment, welfare-to-work assistance, and many other services. They do it with little support from the Federal Government, but they get the job done.

Because of all of that, what these groups do for our communities, I urge my colleagues to step back from partisan politics, step back from blind ideology and support the Community Solutions Act.

Mr. Speaker, this bill will stimulate an outpouring of private giving to non-profits, faith-based programs and community groups by expanding tax deductions and other initiatives.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, this is an outrage. I got religion in a lean-to many years ago. There are a lot of good people behind this bill, and there are some good people behind slavery. We do not want that to happen again.

We have to watch this.
Mr. Speaker, charities do remarkable things for our country. They change the lives of so many for the better. They feed the hungry, clothe the homeless, and assist the needy. Now is the time to help charities help those most in need. Let us help the charities keep more of their well-deserved dollars. It is the right thing to do.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, the question before this House is not whether faith-based groups do good works; they do. The question is not even whether government can assist faith-based groups in their social work; the government does, and has for so years without this bill.

Mr. Speaker, rather, the vote on this bill boils down to two fundamental questions: First, do we want citizens’ tax dollars funding directly our churches and houses of worship? Second, is it right to discriminate in job hiring when using tax dollars?

By directly funding churches and houses of worship with tax dollars, this bill obliterates the Bill of Rights’ wall of separation between church and State. As all of human history has proven, entanglement between government and religion will lead to less religious freedom and more religious strife. Government funding of our churches will absolutely lead to government regulation of our churches, and it will cause religious strife as thousands of churches compete for billions of dollars annually.

Mr. Speaker, to my conservative colleagues I would say this: No one should be more concerned than true political conservatives about the idea of the long arm of the Federal Government and its regulations extending into our sacred houses of worship.

I would challenge any Member of this House to show me one nation anywhere in the world that funds its churches and has more religious liberty, more religious vitality or tolerance than right here in the United States.

Regarding the religious discrimination subsidized by this bill, I would say this: No American citizen, not one, should ever have to pass someone else’s religious test in order to qualify for a federally funded job. Sadly, under this bill, a church or group associated with Bob Jones University could put out a sign that says, ‘‘No Catholics Need Apply Here’’ for a federally funded job. That is wrong. This bill is wrong for religion, it is wrong for our churches, and it is wrong for our Nation.

Mr. CAMP. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. HOUGHTON), a distinguished member of the Committee on Ways and Means.

Mr. HOUGHTON. Mr. Speaker, there are many parts of this bill. The part I would like to concentrate on is something which the gentleman from Ohio (Mr. HALL) and I have been working on for a long time. The basis is this: there are 31 million Americans, according to a Department of Agriculture report, who go to bed hungry every night; and 12 million of those are children. One of the things this bill does is to encourage and give a tax incentive to restaurants and hotels and people like that who have excess food, throw it away, to give it to these organizations, to help these people that are hungry.

That is all it is. It is a very simple part of this bill. I think it is needed, and I think it is the right area.

Mr. LEWIS of Georgia. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, I would take second place to no one in this Chamber in my faith and my belief in God. I would take second place to no one in this Chamber in terms of my personal commitment to supporting faith-based organizations. But I cannot support the bill as presently drafted and specifically focusing on the discrimination aspect of the bill.

No one in this Chamber would ask that a Jew serve as a Catholic priest or a Muslim serve as a Christian minister. But what this bill specifically does, and we should face it and we should talk about it and think about the implication, is that the person serving the soup literally with the ladle would be allowed to be only of a certain faith, whatever that faith may be, with Federal funds. That is a very scary concept, I think, for many Americans. I ask them to think about it. They should think about it and we should talk about it.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield 1 minute to the distinguished member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I think it is important as we listen to this debate to hear what the opponents are saying. They are not attacking this bill head-on. They are throwing around the edges. They are trying to set up roadblocks. They are trying to put new provisions in law with respect to the civil rights acts. What they are trying to do is make this program unworkable.

We hear this comment repeated over and over: Catholic social services, Lutheran social services is getting all this government money. That is true. The large, high-financed, well-established churches do get Federal funding. They can afford the attorneys, they can afford the accountants. Is it fair that those small institutions, those small institutions, those faith-based organizations in our inner cities, in our rural areas, who know the names, who know the faces, of those who are in need.

The problem that we have had with this Federal Government, with the welfare state, with our approach to poverty, is that we have treated the superficial wounds that have plagued our population but we have not treated the soil. We have not treated the heart of the problem. We are saying, ‘‘Go to help these people.’’ That is wrong. This bill is wrong for religious liberty, for religious groups, provide a purely secular activity with Federal tax dollars but in
employing people to serve the soup or build the homes or clean up or give drug treatment, hire only your own co-religionists or empower people de facto to engage in racial segregation. That is not worthy of the purposes of this bill.

Mr. LEWIS of Georgia. Mr. Speaker, I yield the balance of my time to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Speaker, I would just point out that no one is going to make a $25 donation because they can get $3.75 back from their taxes a year from now. If we want to help these organizations, we ought to increase the appropriations that have been cut over the past few years.

And we are not going around the edges. The basic core part of the bill does not help little churches. They still have to run a program pursuant to Federal regulations. They still have to withstand an audit. But they cannot discriminate now, and this bill will allow them to discriminate in hiring. That is wrong. That is why the bill ought to be defeated.

Mr. CAMP. Mr. Speaker, I yield myself the balance of my time.

Just briefly on the tax provisions in this bill, this bill is about fairness. It allows those 70 percent of taxpayers who do not itemize ability to give charitable contributions regardless of their itemizing on their tax returns. IRS data shows that if they do, they will increase their charitable giving significantly.

It also allows for tax-free withdrawals from IRAs and Roth IRAs. It also gives incentives for increased charitable contributions by businesses and employers in terms of food from restaurants or computer equipment from other businesses.

This will be a real benefit to our communities. I urge support and passage of this bill.

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in very strong opposition to H.R. 7, the Charitable Choice Act of 2001.

This legislation sanctions government-funded discrimination. Passage of this bill would allow religious organizations who receive government funds to hire only those individuals who prescribe to the organization’s religious tenets. The bill would also override state and local civil rights laws that prohibit discrimination based on race, sex, national origin and sexual orientation.

This bill proposes a major change to the basic American principle of separating church and state. Federal agencies would be given the opportunity to take all of the funding for a program and convert it into vouchers to religious organizations. Religious groups receiving this money would be able to use it for any number of purposes, including proselytizing.

Supporters of this bill claim that more individuals will be helped because more organizations will have access to federal funds. This is simply not the case. H.R. 7 does not provide one additional dollar in federal funding for so

CONGRESSIONAL RECORD—HOUSE July 19, 2001
It is my hope the senate makes wiser choices during its consideration of this legislation, and the bill’s shortcomings are addressed during markup in this committee. Hopefully, at that point, the measure will be corrected so that I may lend it my support.

Mr. BENTSEN. Mr. Speaker, I rise in opposition to H.R. 7, the Community Solutions Act, well-intentioned legislation that would undermine two of our nation’s most fundamental constitutional principles—equal protection and the separation of church and state. Mr. Speaker, I agree that the federal government should encourage non-profits including religious organizations to help in meeting our nation’s social welfare needs, but not at the expense of the constitutional principles that have served this nation so well.

H.R. 7 would broaden the use of federal funds made available to religious groups than is currently permitted and allow such groups to make their religious content. Such previously opposed to those services. Specifically, the bill prohibits the federal government, or state and local governments using covered federal funds, from denying religious organizations in the awarding of grants on the basis of the organization’s religious character. The bill expands previously enacted “charitable choice” laws to include eight new programs that relate to: juvenile justice, crime, housing, job training, domestic violence, hunger relief, senior services and education.

The bill also contains $13 billion in tax reductions over the next decade designed to encourage charitable giving. Given the new budgetary constraints after the passage of the President’s $1.35 trillion tax cut package, the Ways and Means Committee approved just 15% of charitable giving tax incentives provided under the President’s plan. H.R. 7 would permit taxpayers who do not itemize their taxes to deduct up to $25 in charitable contributions a year, rising to $100 in 2010. Under this bill, non-itemizers in the 15% tax bracket would get anemic tax benefit of $3.75 a year if they contributed the maximum, rising to $100 in 2010. Under this bill, non-itemizers in the 15% tax bracket would get anemic tax benefit of $3.75 a year if they contributed the maximum, rising to $100 in 2010.

These successful partnerships have provided housing, education, and health care services for those in need. In fact, many smaller churches in my district fund to provide services for those in need. In fact, many smaller churches in my district fund to provide services for those in need. In fact, many smaller churches in my district fund to provide services for those in need.

Mr. Speaker, I also oppose the substitute, offered by Reps. Rangel and Conyers, because I believe that the passage of new legislation is not necessary. For decades, government-funded partnerships with religious-affiliated organizations such as Catholic Charities, Jewish Community Federations, and Lutheran Social Services have helped to combat poverty and have provided housing, education, and health care services for those in need. These successful partnerships have provided millions of dollars to religious-affiliated organizations that embrace this program and, in turn, provide services for those in need.
receiving government funds. This bill is strong on promoting discrimination and weak on lifting families.

By passing H.R. 7, the United States House of Representatives is sending the message that Congress endorses government-sponsored discrimination. I believe that this message desecrates the memory of the men, women and children who lost and risked their lives to bring equal rights to all who live in this country. Instead of undermining the memory of these courageous civil rights advocates, Congress should be using their effort as a source of inspiration to continue and move forward the battle to ensure that all who live in this nation obtain true equal rights.

It is time that our nations' leaders stood together to protect the advancements made in civil rights and create a nation that shelters tolerance for all groups. To truly help the poor, Congress should ensure that they have access to their ability to provide quality social services. None of these measures require undermining this nation's civil rights laws.

Finally, I hope this bill is no indication that Bush Administration wants to dismantle our existing social safety net and turn it over to religious organizations and other private charities. A recent Ewing Marion Kauffman Foundation study indicates that charities—even with the benefits of the tax cuts in this bill—would not be able to replace the federal government's commitment to providing social services. According to their study, adding up the current assets of all the foundations in America would only replace federal government funding for social services for 74 days. The Bush Administration may want to shift responsibility to religious organizations and private charities, but they can't do the job alone.

Moreover, if Congress decides to allocate more government funds to increase faith-based organizations role in providing social services, we should make sure that we are getting our taxpayers' money worth. At a recent Brookings Institute conference recently on child care, a child care expert cited several studies that reported that child care provided by churches was among the lowest quality in the country. These child care centers had higher staff-to-child ratios, lower levels of trained and educated teachers and less educated administrators than other non-profit child care centers.

I for one do not want to be telling my constituents several years down the road that Congress spent money on social services based on whether they are religious rather than on their ability to provide quality social services. Please join me in opposing H.R. 7 and let us work together to seriously tackle the problem of poverty without legalizing government-sponsored discrimination.

Mr. BLumenauer. Mr. Speaker, I rise to oppose H.R. 7, the Charitable Choice Act of 2001. I support the work that many religious charities do on behalf of those in the need in my community and across the nations. Currently, any church or religious organization can establish a charity and apply for federal funds. These so-called "barriers" are America's civil rights laws, and we must not compromise them. If a privately-funded place of worship directs its employees to follow its religious dictates, it is within its rights to do so. However, if it uses public funds, then it should not be allowed to discriminate against anyone.

While we should always look for better ways to provide social services, I do not believe that the separation between church and state need to be dismantled to do so. I ask that you vote against the bill.

Ms. McCOLLUM. Mr. Speaker, today I will vote against H.R. 7, the Community Solutions Act, because I strongly support the constitutional separation of church and state, and I believe this bill infringes on that separation. The bill would threaten religious autonomy, as religious organizations would be subject to government regulations in exchange for federal funds. The truth is that the federal government can already fund faith-based charities if the current law is followed, and by establishing a 501(c)(3) tax-exempt charitable organization, they agree not to proselytize using tax dollars, and they cannot discriminate in job hiring. H.R. 7 would remove these important protections. I also believe this bill allows federal intrusion on state and local jurisdiction, as faith-based groups would not have to adhere to Minnesota's comprehensive state and local nondiscrimination laws.

I recognize the very important contributions of faith-based organizations to our communities and families. Some successful faith-based organizations in Minnesota such as Church Charities, Lutheran Social Services, and Jewish Family and Children's Services have developed a reputation for providing quality services without discrimination. These organizations certainly complement many governmental social services and I would not want to see their roles diminished in the lives of so many Minnesotans.

This bill has the potential to interfere in the historic working relationship between faith-based organizations, the government, and the people they so generously serve.

Mrs. CHRISTENSEN. Mr. Speaker, I must join my colleagues who have spoken in opposition to H.R. 7.

Never can I or will I ever support a piece of legislation which would allow and therefore support discrimination in any way shape or form.

I am proud to be a member of the Congressional Black Caucus which does not oppose, but strongly supports, making funding available to support our religious organization's work in the world, but voted unanimously to oppose the egregious parts of the bill which allow the provisions of the hard fought for civil rights laws to be sidestepped.

As an African-American and a Christian, I must also say that I am insulted and deeply resent the way the administration has specifically courted the Black Church with this initiative because H.R. 7 falsely advertises the initiative as new, and also as aggressive, and it most egregiously, allows discrimination.

Mr. Speaker, I am and have always been a strong supporter of the work that religious protections for all Americans currently enjoy. Allowing religious organization to discriminate in hiring on the basis of religion, sexual preference, and race is wrong.

Short-circuiting the current system also opens the door to federal interference in religious activities, which has prompted the opposition of many religious organizations and leaders. The litany of groups opposing this bill is long and contains the names of some of the most distinguished charitable and religious groups in the country.

Another unfortunate aspect is the failure to meaningfully assist the charitable contributions of low income Americans unable to itemize on income tax returns. As a result of other tax relief for people who need help the least, we are unable to assist those who are undeniably penalized.

Given the flaws in this legislation, I oppose it, and urge my colleagues to do likewise.

Mr. Speaker, I rise today in opposition to the Community Solutions Act of 2001.

In a 1780 letter, Benjamin Franklin wrote, "When religion is good, I conceive that it will support itself; and, when it cannot support itself, God does not take care to support it, so that its professors are obliged to call for the help of the civil power, it is a sign, I apprehend, of its being a bad one."

Forty-three years later, James Madison wrote in a letter, "Religion is essentially distinct from civil government and exempt from its cognizance . . . a connection between them is injurious to both."

Franklin and Madison's observations are still poignant, and relevant to today's debate on President Bush's social services plan. I join with many Americans who have great concerns about the provisions of his plan which punch holes in the firewall between places of worship and the government.

A number of religious organizations already run very valuable social service programs, and Americans appreciate the significant contributions that these religious groups make to the well being of our communities. However, this proposed faith-based legislation unnecessarily entwines church and state in a financial relationship under the mantra of improving social services.

The Founding Fathers understood that both church and state play important roles in the lives of Americans, but neither may function appropriately under our Constitution if they are heavily intertwined. The separation of church and state actually protects each from the other. Many Americans express concern over the potential for a disproportionate level of influence of religious doctrine upon the making of public policy. However, places of worship should also be concerned about interference from government. It would be a travesty if a financial relationship between the two became so significant that religious decisions are affected by concerns over public funding.

Let us be straightforward about the crux of this debate: The question is not whether churches, synagogues or mosques should provide social services. Of course they should. The question is whether religious organizations should abide by federal civil rights laws if they take federal money. The answer again is of course they should.

Proponents of the President's plan call for the removal of "barriers" which religious charities face when attempting to secure public funding for their social service programs. These so-called "barriers" are America's civil rights laws, and we must not compromise them. If a privately-funded place of worship directs its employees to follow its religious dictates, it is within its rights to do so. However, if it uses public funds, then it should not be allowed to discriminate against anyone.

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groups such as Lutheran Social Services, Catholic Social Services, the Inter-Faith Coalition, the Moravian conference, The Seventh Day Adventist Church and others have been doing.

In addition to these concerns, I am also very troubled by the fact that H.R. 7 contains a provision that allows any federal agency to convert programs into voucher programs in order to circumvent protections against discrimination that are provided for under federal law. This most uncharitable bill goes beyond the question of violating the principle of separation of Church and State, first by allowing discrimination and then by purportedly providing funds for religious and other organizations when it doesn’t actually provide any new dollars in the bill at all. Neither should they now, that the lack of funding is uncovered, be allowed to raid the Missionary Trust Fund.

As an African-American and a Christian, I must also say that I am insulted and deeply resent the way the administration has specifically courted the Black Church with this initiative because of the aforementioned aspects of H.R. 7 to which I have objected.

Mr. Speaker, I am and have always been a strong supporter of the work that religious groups in my and other communities do. Federal support of Faith based organizations is not new. In my district, groups such as Lutheran Social Services, Catholic Social Services, the Inter-Faith Coalition, the Moravian conference, The Seventh Day Adventist Church and others have been doing a tremendous job serving the needy in Virgin Islanders for many years now and will continue to do so with or without this bill.

Where there efforts are hampered is through the recent tax cut which will drastically cut funding from the programs that help those in our communities who need an extra hand up—in education, in health care services, in housing, in economic opportunity, and in programs that would promote an improved quality of life.

And it just astounds me that while the Administration is pushing this initiative “as” one of its highest priorities, in the case of the CBC Minority AIDS Initiative, the Department has decided that Faith Based Organizations can no longer be targeted for funding.

I support the Democratic Substitute and urge my colleagues to do the same. This better bill would prohibit employment discrimination and the setting aside of state and local civil right laws and delete the sweeping new language in the bill which would permit federal agencies to convert more than $47 billion in current government programs into private vouchers.

Mr. GILMAN. Mr. Speaker, faith-based organizations play a vital role in our communities and work tirelessly towards effectively meeting the needs of our nation. These organizations cover all religions and range from family counseling, to community development, to homeless and battered woman’s shelters, to drug-treatment and rehabilitation programs and to saving our “at-risk” children. In many cases, they are the only organizations that have taken the initiative to provide a much needed community service.

In principle, I support what H.R. 7, the Community Solutions Act seeks to accomplish. However, during exhaustive conversations with my constituents, and a variety of organizations, we must address the following issues before the bill is signed into law:

H.R. 7 gives the executive branch broad discretion to fundamentally change the structure of a plethora of federal social service programs totaling some 47 billion dollars through the use of vouchers. This voucher program allows any Cabinet Secretary to convert any of the covered programs currently funded through grants or direct funding to a voucher program, without Congressional approval. The risk of these voucher programs is that once a program becomes a voucher program, the funds become indirect funds, which could require participants in voucher funded programs to engage in worship or to conform to the religious beliefs of the religious organizations providing the service.

H.R. 7 would permit a variety of organizations, including for-profit entities, to receive program vouchers. Our concern is that this could jeopardize the financial stability of non-profit agencies by replacing the more reliable grant and contracts funding they currently receive with unpredictable voucher funding.

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Mr. PAUL. Mr. Speaker, no one familiar with the history of the past century can doubt that private charities, particularly those maintained by persons motivated by their faith to perform charitable acts, are more effective in addressing the problems of the society than the federal programs. Therefore, the sponsors of H.R. 7, the Community Solutions Act, are correct to believe that expanding the role of voluntary, religious-based organizations will benefit society. However, this noble goal will not be accomplished by providing federal taxpayer funds to these organizations. Instead, federal funding will transform the organizations into adjuncts of the federal government and reduce voluntary giving on the part of the people. In so doing, H.R. 7 will transform the majority of private charities into carbon copies of failed federal programs.

Providing federal funding to religious organizations gives the organizations an incentive to make obedience to federal bureaucrats their number-one priority. Religious entities may even change the religious character of their programs in order to please their new federal paymaster. Faith-based organizations may find federal funding diminishes their private support as people who currently voluntarily support religious organizations assume they “gave at the (tax) office” and will thus reduce their levels of private giving. Thus, religious organizations will become increasingly dependent on federal funds for support. Since “he who pays the piper calls the tune” federal bureaucrats and Congress will then control the content of “faith-based” programs.

Those who dismiss these concerns should consider that H.R. 7 explicitly forbids proselytizing in “faith-based” programs receiving funds directly from the federal government. Religious organizations will not have to remove religious income from their premises in order to receive federal funds. However, I fail to see the point in allowing a Catholic soup kitchen to hang a crucifix on its wall or a Jewish day care center to hang a Star of David on its door if federal law forbids believers from explaining the meaning of those symbols to persons receiving assistance. Furthermore, proselytizing is what is at the very heart of the effectiveness of many of these programs!

H.R. 7 also imposes new paperwork and audit requirements on religious organizations, thus diverting resources away from fulfilling the charitable mission. Supporters of H.R. 7 point out that any organization that finds the conditions imposed by the federal government too onerous does not have to accept federal funding. It is true no church can refuse federal grants. It is true no charity has to accept federal funds, but a significant number will accept federal funds in exchange for federal restrictions on their programs, especially since the restrictions will appear “reasonable” during the program’s first few years. Of course, history shows that Congress and the federal bureaucracy cannot resist imposing new mandates on recipients of federal money. For example, since the passage of the Higher Education Act the federal government has gradually assumed control over almost every aspect of campus life.

Just as bad money drives out good, government-funded charities will overshadow government charities that remain independent of federal control. After all, a charitable organization has the government’s stamp of approval and also does not have to devote resources to appealing to the consciences of parishioners for donations. Instead, government-funded charities can rely on forced contributions from the taxpayers. Those who dismiss this as unlikely to occur should remember that there are only three institutions of higher education today that do not accept federal funds and thus do not have to obey federal regulations.
We have seen how federal funding corrupts charity in our time. Since the Great Society, many organizations which once were devoted to helping the poor have instead become shams for ever-expanding government, since a bigger welfare state means more power for their organizations. Furthermore, many charitable organizations have devoted resources to partisan politics as part of coalitions dedicated to expanding federal control over the American people.

Federally-funded social welfare organizations are inevitably less effective than their counterparts because federal funding changes the incentives of participants in these organizations. Voluntary charities promote self-reliance, while government welfare programs foster dependency. In fact, it is in the self-interests of the bureaucrats and politicians who control the welfare state to encourage dependency. After all, when a private organization moves a person off welfare, the organization has fulfilled its mission and proved its worth to donors. In contrast, when people leave government welfare programs, they have deprived federal bureaucrats of power and of a justification for a larger amount of taxpayer funding.

Accepting federal funds will corrupt religious institutions in a fundamental manner. Religious institutions provide charity services because they are commanded to by their faith. However, when religious organizations accept federal funding promoting the faith may take a back seat to fulfilling the secular goals of politicians and bureaucrats.

Some supporters of this measure have attempted to invoke the legacy of the founding fathers in support of this legislation. Of course, the founders recognized the importance of religion in a free society, but not as an adjunct of the state. Instead, the founders hoped a religious people would resist any attempts by the state to encroach on the proper social authority of the church. The Founding Fathers would have been horrified by any proposal to put churches on the federal dole, as this threatens liberty by coordinating churches to the state.

Obviously, making religious institutions dependent on federal funds (and subject to federal regulations) violates the spirit, if not the letter, of the first amendment. Critics of this legislation are also correct to point out that this bill violates the first amendment by forcing taxpayers to subsidize religious organizations whose principles they do not believe. However, many of these critics are inconsistent in that they support using the taxing power to force religious citizens to subsidize secular organizations.

The primary issue both sides of this debate are avoiding is the constitutionality of the welfare state. Nowhere in the Constitution is the federal government given the power to level excessive taxes on one group of citizens for the benefit of another group of citizens. Many of the founders would have been horrified to see modern politicians define compassion as giving away other people's money stolen through confiscatory taxation. After all, the words of the famous essay by former Congressman John Crockett, that money is "Not Yours to Give."

Instead of expanding the unconstitutional welfare state, Congress should focus on returning control over welfare to the American people. As Marvin Olasky, the "godfather of compassionate conservatism," and others have amply documented, before they were "marketable" skills or otherwise engaged them in productive activity, and helped them move up the economic ladder.

Therefore, it is clear that instead of expanding the unconstitutional welfare state, Congress should return control over charitable giving to the American people by reducing the tax burden. This is why I strongly support the tax cut provisions of H.R. 7, and would enthusiastically support them if they were brought before the House as a stand alone bill. I also proposed a substitute amendment which would have given every taxpayer in America a $5,000 tax credit for contributions to social services organizations which serve lower-income people. Allowing people to use more of their own money promotes effective charity by ensuring that charities remain true to their core mission. After all, individual donors will likely limit their support to those groups with a proven track record of helping the poor, whereas government agencies may support organizations more effective at complying with federal regulations or acquiring political influence than actually serving the needy.

Many prominent defenders of the free society and advocates of increasing the role of faith-based institutions in providing services to the needy have also expressed skepticism regarding giving federal money to religious organizations, including the Reverend Pat Robin- soon, the Reverend Jerry Falwell, Star Parker, Founder and President of the Coalition for Urban Renewal (CURE), Father Robert Sirico, President of the Acton Institute for Religious Liberty, Michael Tanner, Director of Health and Welfare studies at the CATO Institute, and Lew Rockwell, founder and president of the Ludwig Von Mises Institute. Even Marvin Olasky, the above-referenced "godfather of compassionate conservatism," has expressed skepticism regarding this proposal.

In conclusion, Mr. Speaker, because H.R. 7 extends the reach of the immoral, unconstitutional welfare state and thus threatens the autonomy and the effectiveness of the very faith-based charities it claims to help, I urge my colleagues to reject it. Instead, I hope my colleagues will join me in supporting a constitutional and compassionate agenda of returning control over charity to the American people through large tax cuts and tax credits.

Ms. KILPATRICK. Mr. Speaker, today I rise in opposition to the underlying bill and in support of the Conyers Substitute. First, and foremost I must make known my profound belief in the healing ability of faith. The Church has always played an important role in my life and in many ways was a catalyst to my choice to pursue a political career. However, this is not a debate about government versus religion. Religious organizations play an important role in our society and no matter what we do on the floor today they will continue to do so. I assure you I will continue to support them.

There are many who have taken the floor and argue that Faith Based organizations are discriminated against when competing for federal funds. I question this statement. I have come to believe that under current law, Faith Based organizations can in fact compete if they take certain steps under the law. They can create a separate 501(C)(3) organization to prevent the mixing of church and secular activities. In my mind this insulates Faith Based organizations from the sometimes intrusive hand of the government.

Again I state my support for the healing role of faith based organizations. However, as an avid student of this country's history and for that matter, the world's history, I cannot ignore some of the heinous things that have been done in the name of religion. In fact, current history is full of the horrors attendant to state sponsored religion. For decades, this country has struggled to bring peace to the hot box that is the Middle East, where religion is the sub-text used for the oppression of women, the oppression of other faiths and state sponsored terrorism. While I realize that this country has many protections against many of these horrors, and I do not mean to suggest that the enactment of this bill will rise to the level of these horrors, I do mean to suggest that more subtle forms of these problems such as discrimination will result from this measure.

This bill would allow Faith Based organizations to discriminate as to who they will hire. This is wrong. The faith of a helping hand is of no consequence to the person in need. All of humanity has the potential to accomplish charitable deeds and should not be told that there is no role for their charity because of the faith they hold dear. I will not stand idly by as the Civil Rights laws in place to prevent workplace discrimination are flouted in the name of religion.

Mr. CRANE. Mr. Speaker, I have long advocated making changes to the tax code designed to encourage charitable giving. Indeed, I have promoted some of the proposals contained in the legislation we have before us today, including the charitable IRA rollover and the deduction for non-itemizers, for many years. Because the legislation we are considering, the Community Solutions Act, contains a number of worthwhile provisions that I believe will help encourage people to give to charity, I rise today to express my support.

However, while I believe this legislation is a step in the right direction, H.R. 7 is but a first
step. Frankly, we need to do more, and in my remarks today I would like to highlight a number of items that I believe need to be reviewed further considered by the Ways and Means Committee and the Congress in the near future.

My first comments relate to the largest provision in this legislation in terms of revenue impact—the charitable deduction for non-itemizers. I do not believe there is a member in Congress who has fought longer or harder for restoring the charitable deduction for non-itemizers than I. The non-itemizer charitable deduction actually existed in the tax code from 1981–1986. It was created in the 1981 Reagan tax bill, but the language in the 1981 bill sunset the provision after 1986. In January 1985, at the start of the 99th Congress, I introduced legislation, H.R. 94, to make the non-itemizer deduction permanent. The year after the provision expired in 1986, I introduced legislation, H.R. 459, to restore the deduction in every Congress since that time up to the present, I have introduced legislation to restore this deduction. For the record, I would like to insert the following table identifying the Congress, date and bill number of the legislation that I have introduced on this subject:

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While I am gratified that Congressman WATTS included that the non-itemizer deduction in H.R. 7, I am disappointed that the limitations on the amount of the deduction were set so low. Indeed, I am concerned that the deduction limits have been set so low as to have a very minimal impact toward the goal of increasing charitable giving. Frankly, the deduction allowance ought to be set substantially higher. As President Bush has recently proposed to allow the deduction up to the amount of the standard deduction. However, despite my concerns with the limitations contained in H.R. 7, I still believe that this provision represents a positive first step—a step on which the Ways and Means Committee can build a more substantial deduction. Moreover, I hope that the other body takes up similar legislation this year and that it considered the concerns I am raising today.

With regard to those individuals who do itemize their deductions, I want to mention two proposals that I have made recently in H.R. 7 but hopefully will be considered at a later date. The first of these proposals relates to Section 170 of the tax code. Under current law, individuals who contribute appreciated property (such as stocks and real estate) to charity are subject to complex deduction limits. While donors can generally deduct charitable contributions up to 50 percent of their income, deductions for gifts of appreciated property are limited to 30 percent of income. For gifts of appreciated property to charities that are private foundations, deductions are limited to 20 percent of income. In my view, these limits under present law discourage charitable giving from the very people who are in the best position to make large gifts. Someone who has done well in the stock market should be encouraged to share the benefits. In order to fix this problem we should consider allowing contributions of appreciated property to be deductible within the same percentage limits as for other charitable gifts.

The proposal I have in mind would increase the percentage limitation applicable to charitable contributions of capital gain property to public charities by individuals from 30 percent to 50 percent of income. Thus, both cash and non-cash contributions to such entities would be subject to a 50 percent deductibility limit. In addition, I would propose increasing the percentage limitation for contributions of capital gain property to private foundations from 20 percent to 30 percent of income. While these proposals were not included in H.R. 7, I want to thank Ways and Means Chairman THOMAS for publicly acknowledging that these issues are worthy of consideration. As a follow-up to this comment, Chairman THOMAS has written a letter to the Staff Director of the Joint Committee on Taxation asking for a revenue estimate and additional information with respect to this proposal.

In addition, I would like to thank the Chairman for making a similar request with regard to the other proposal I believe need to be addressed—removal of charitable contributions from the cutback of itemized deductions commonly referred to as the "Pease" limitations. Even though the cutback of itemized deductions is being phased out under current law, its impact on charitable giving will remain in effect for several years. It is my strong belief that extracting charitable contributions from the Pease limitation will do much to encourage further generosity from those in a position to give the most.

Mr. Speaker, I am pleased to have this opportunity to express my support for H.R. 7 and I hope that I will return to the floor one day soon to address the other important issues I have raised in my remarks.

Mr. FORBES. Mr. Speaker, I rise in strong support of the Community Solutions Act, which will provide more opportunities for the strong wills and good hearts of Americans everywhere to rally to the aid of their neighbors.

All across America, there are people in need of a helping hand. Some of them are just a little down on their luck and need temporary shelter or a hot meal or the comfort of a confidant. Others are in dire straits. The government can provide some assistance to these individuals and families, but it cannot do it all. And frankly it should not. In every pocket of America, there are groups and individuals—some of faith and some not—who are rallying to the aid of their neighbors. We in Washington should be in the business of encouraging this kind of community involvement and outreach.

In fact, the public places far more trust in faith-based institutions and community organizations than in government to solve the social woes of our nation. Earlier this year, the Pew Partnership for Civic Change asked Americans about foundations, organizations, including religious organizations, businesses, and community groups, for their role in solving social problems in our communities. More than half named local churches, synagogues, and religious institutions; nonprofit groups, like the Salvation Army and Habitat for Humanity; and friends and neighbors—putting them at the top of the list below the local police but ahead of the federal government. The local police were ranked 14th out of 15, with only about 1 in 4 respondents naming it as a social problem-solver.

The bipartisan Community Solutions Act builds on the faith-based initiative proposed earlier this year by the President to answer this call. But, to call it a faith-based initiative is really a misnomer. While faith-based groups clearly have a role to play in this plan, it is really all about neighbors helping neighbors.

Mr. Speaker, the bill will increase charitable giving by allowing non-itemizers to deduct their charitable contributions. It will also expand individual development accounts to encourage low-income families to save money for home ownership, college education, or other needs. And, the Community Solutions Act will expand charitable choice provisions allowing taxpayers to give to groups that present a greater opportunity to provide assistance to those in need through programs that Congress has created.

This bill embodies many good ideas, and it is long past the time when we should be returning these principles to our civil society. I thank the President for making this a priority for his Administration, and thank Congressmen WATTS and HALL introducing it in the House.

It is time for Congress to step aside and let the armies of compassion do what they do best—help neighbors in need. I urge my colleagues to support this bill and to oppose the substitute and the motion to recommit.

Ms. MILLENDER-McDONALD. Mr. Speaker, currently, under Title VII, religious organizations can discriminate in hiring practices. If the Charitable Choice Act (H.R. 7) is enacted, this discriminatory practice will extend to programs on the Federal level. It is alarming that the Charitable Choice Act (H.R. 7) would pre-empt state and local anti-discrimination laws. This bill would open women to all kinds of employment discrimination that is currently prohibited by Federal law.

Under H.R. 7, religious employers would be allowed to include questions in hiring interviews on marital status and childcare provisions. Women would also be subject to discrimination in the delivery of services. For example, this bill offers no protection for the unwed mother being denied benefits because of the tenets of the religious organization responsible for delivering services. Women's basic employment and civil rights should be a fundamental guarantee and not conditioned on or the entity hiring or providing services has been offered special protections under the law.

Currently, under Title VII, there are cases where women lost their job because they became pregnant but wasn't married and due to their views on abortion. If the Charitable Choice Act is passed, then this can include many more forms of discrimination.

This is not an ordinary piece of legislation. It raises serious questions about church-state relations in this country. These are grave issues. Congress needs to proceed with caution.
Mr. HALL of Texas. Mr. Speaker, as a long-time supporter of local solutions for local problems, I want to thank my colleagues, Representatives J.C. WATTs and Representative TONY HALL, for their work to bring H.R. 7, the Community Solutions Act, to the Floor. I am pleased to be a cosponsor of this initiative, which recognizes the important role that faith-based groups are performing in every community in America. I commend President Bush for making this a priority of his Administration.

Government has long provided public funding for social service programs through its “charitable choice” provisions. This Act builds on this success by expanding the services that may be provided by faith-based groups. Most of us would agree that local citizens have a far better understanding of local problems and have better solutions for those problems than some “one-size-fits-all” Federal program. We’ve spent billions of dollars fighting the war against drugs, for example—and are still losing it because we are fighting it from the top.

The bill’s sponsors have worked to address the constitutional concerns that have been raised, and they have provided some important safeguards. As this bill moves forward, we need to continue our efforts to fully examine the implications of this Act as it affects State laws.

The Community Solutions Act holds great promise in our efforts to combat drugs, juvenile delinquency, teenage pregnancy, hunger, school violence, illiteracy and other ills. It recognizes that faith-based organizations often are succeeding where government-run programs are failing. It makes sense to include these worthy programs in our efforts to serve those in need in our communities.

I urge my colleagues to recognize the contributions and potential of faith-based organizations to improve the quality of life for our citizens by voting for H.R. 7 and giving this initiative a chance to work.

Mr. BROWN of South Carolina. Mr. Speaker, I rise today in strong support of President Bush’s faith-based initiative, as reflected in H.R. 7. Both the Judiciary Committee and the Ways and Means Committee have promised to craft legislation we should all be able to support.

I would like to take a minute, though, to concentrate on the charitable choice provision of this bill, because the tax provisions should not keep anyone from voting for H.R. 7. According to Chairman NUSSELE of the House Budget Committee, the $13.3 billion in estimated revenue reduction does not threaten the Medicare trust fund. No, if this bill fails, the failure will be due to the charitable choice provision.

Many have expressed concerns about “separation of church and state” and about “government funded discrimination” in conjunction with President Bush’s faith-based initiative. However, when the Welfare Reform Act was passed in 1996, the charitable choice provision allowed faith-based groups to apply for federal money the same way that secular groups do. The charitable choice provision is also included in the 1998 Community Services Block Grant Act and in the 2000 Public Health Services Act. The charitable choice provision has a history of success.

Rather than promoting a radical restructuring of current law, H.R. 7 will simply ensure that faith-based organizations can compete on more equal footing than in the past. The government will not be encouraging any kind of discrimination but, instead, will be able to partner with faith-based organizations in a wider variety of social services, including juvenile justice, crime prevention, housing assistance, job training, elder care, hunger relief, domestic violence prevention, and others.

In summary, we should all support H.R. 7 because it provides a proven method for the federal government to participate in the provision of social services to Americans who still need help. This bill allows the federal government to partner with faith-based and other community service organizations that already have a history of success in providing these social services. H.R. 7 puts faith-based organizations on a level playing field in the competition for federal funds, without jeopardizing their autonomy, and without undermining religious freedom for either the service providers or for the service beneficiaries. I urge all of my colleagues to vote for H.R. 7.

Mr. HYDE. Mr. Speaker, I have been listening to this debate with great attention all afternoon, and—at the risk of oversimplifying, I will state it this way. What we are talking about is an army of people out there motivated by spiritual impulses who want to do good, who want to help solve poverty, disease, violence in the community, homelessness, hunger, and some of them are clergy, some of them are not. They are religiously motivated, and we have spent all afternoon finding ways to keep them out. We have enough help. We don’t need them—there is too much God out there. We suffer from an excess of God, for some crazy reason.

Discrimination—if the First Baptist Church wants to do something as the First Baptist Church, take care of some homeless people, the fact that they want to retain their identity and not become another local United Fund operation, there is nothing wrong with that. There is nothing wrong with saying if you want to join us, you have to be Baptist. There is discrimination, and there is invidious discrimination. I do not think it is discrimination for Baptists to want to hire Baptists to do something as the Baptist Church. I think that is fine. That is not invidious discrimination.

So far as I am concerned, I ought to close the case. What we are talking about is an army of people out there motivated by spiritual impulses who want to do good, who want to help solve poverty, disease, violence in the community, homelessness, hunger, and some of them are clergy, some of them are not. They are religiously motivated, and we have spent all afternoon finding ways to keep them out. We have enough help. We don’t need them—there is too much God out there. We suffer from an excess of God, for some crazy reason.

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In summary, we should all support H.R. 7 because it provides a proven method for the federal government to participate in the provision of social services to Americans who still need help. This bill allows the federal government to partner with faith-based and other community service organizations that already have a history of success in providing these social services. H.R. 7 puts faith-based organizations on a level playing field in the competition for federal funds, without jeopardizing their autonomy, and without undermining religious freedom for either the service providers or for the service beneficiaries. I urge all of my colleagues to vote for H.R. 7.

Mr. KIND. Mr. Speaker, as with many of the colleagues from both sides of the aisle, I strongly support the community services provided by religious organizations throughout the Nation. We are all proud of the faith we hold and believe in the principles of selfless service encouraged by religious organizations. As I have personally witnessed in western Wisconsin, the effective and invaluable efforts put forth by religious organizations to combat such traumas as drug-addiction, and child and domestic abuse, are worthy of our continual appreciation.

I am, however, concerned that this legislation would undermine the successes and integrity of such programs through the introduction of more government. I am therefore unable to support this flawed legislation which, while it may be well intentioned, seeks to provide public funding to religious organizations by violating our constitution and without regard to State’s rights.

The establishment of religion clause in the first amendment to the constitution was drafted in the recognition that state activity must be separate from church activity if people are to be free from Government interference. The Founders did not intend this provision as anti-religious, but instead realized this was the way to protect religion while simultaneously protecting the people’s rights to worship freely.

America was founded by people seeking freedom from religious persecution by fleeing lands that contained religious strife and even warfare. To infringe on the separation of church and state is to infringe on the miracle providing fundamental principles of American democracy. It is this principle that not only allows our government to operate by the will of the people, but also allows religious entities to conduct themselves without Government regulation and intrusion. When the line between church and state is not clear, the highest scrutiny must be applied to ensure that principle prevails. I do not believe this legislation would pass such constitutional scrutiny.

The Founders also recognized the dangers of State sponsored favoritism toward any religion. This bill will not only pit secular agencies against religious organizations, it will pit religion against religion for the competition of limited public funds.

Under current law, there are Federal tax incentives for individuals to donate to charitable organizations, including the religious organizations of their choice. In addition, religious groups have always had the ability to apply and receive federal funding for the purpose of providing welfare related social service programs after they form 501(c)(3) organizations. Entities including Catholic Charities and Lutheran Social Service have a long history of participation in publicly funded social service programs.

The conditions associated with the provision of these services, however, require the religious organizations to be secular in nature—in accordance with the establishment of religion clause in the first amendment to the Constitution, as well as adhere to federal, state or local civil rights laws. H.R. 7 would remove these preconditions, allowing for public funding to go toward discriminatory and exclusionary practices that violate the intentions of hard fought civil rights.

In addition to the constitutionality of the legislation, we must also question how the provisions contained in the bill would be implemented and enforced. Supporters of H.R. 7 claim the bill contains safeguards that would provide public funding going to proselytization and other strictly religious activities. Even if these safeguards existed, which they do not, how do we police these organizations to ensure compliance? If we find violations do we then fine the churches or prosecute Catholic priests, Methodist ministers or Lutheran pastors?

The road we are taking with this legislation leads to these serious questions about regulations imposed on organizations that receive
Federal funds. The strings attached to entities receiving federal funds are there to ensure applicable laws are obeyed and accountability exists. The substitute to this bill, offered by Mr. RANGEL, guards against the possibility of publicly funded discrimination by not overriding State and local civil rights laws, as well as offsets the costs associated with this legislation. In addition to being unconditional, H.R. 7 is indeed expensive. While it is not as expensive as the President had originally envisioned, it will cost over $13 billion with no offsets. With passage of the President’s tax cut, there is simply no money to pay for this bill without taking from the Medicare and Social Security Trust fund. A problem that will not go away as we mark up the rest of next year’s budget.

With all the problems associated with this bill, I ask my colleagues to vote against H.R. 7, and support the Rangel substitute.

Mr. GREEN of Texas. Mr. Speaker, I rise in opposition to H.R. 7, the Community Solutions Act. While the goals of this bill are noble, there are fundamental concerns with this legislation.

One of the central tenets of most faith-based organizations, whether they are Catholic, Protestant, Jewish, or Muslim, is to reach out to those in need.

I know that in churches in which I’ve been a member and churches in my district have several programs to serve the needy, such as food drives, senior nutrition programs, housing assistance, substance abuse counseling, after school programs and many other needed community services.

These are services that most churches perform because they are consistent with that church’s mission.

A component of H.R. 7, the Community Solutions Act would expand Charitable Choice to allow faith based organizations to compete for federal funding for many of these services. The religious groups today compete and receive federal funding.

But they cannot only serve their particular faith or beliefs.

In fact, there are organizations such as the Baptist Joint Committee, the United Methodist Church, the Presbyterian Church, and the United Jewish Communities Federation all fear that this legislation would interfere with their missions, rather than help them.

We know that the first amendment prevents Congress from establishing a religion or prohibiting the free exercise thereof. This wall of separation has been a fundamental principle since the founding of our great nation.

As a Christian I believe it is my duty to serve and my service is a reflection of my faith. Many Christians, Jewish and Muslims, do this everyday if we are practicing our beliefs.

We do not need Federal tax dollars to practice and live our faith.

Mr. CUMMINGS. Mr. Speaker, I stand with you today to raise my grave concerns regarding H.R. 7.

Faith-based and community-based organizations have always been at the forefront of combating the hardships families and communities face, and Mr. Speaker, do not have a problem with government finding ways to harness the power of faith-based organizations and their vital services.

Although I support faith-based entities, I cannot endorse H.R. 7 because I believe that: (1) taxpayer money should not be used to proselytize; (2) taxpayer money should not be used to discriminate on the basis of race, gender, religion, or sexual orientation; and (3) the independence and autonomy of our religious institutions should not be threatened.

Unfortunately, H.R. 7 in its current form does not prevent the problems I have outlined. Most significantly, while it may state that government funds should not be used for worship or proselytization, meaningful safeguards to prevent such action are not included in the provisions. Religious institutions are currently exempted from the ban on religious discrimination in employment provided under Title VII of the Civil Rights Act of 1964. As such, because the bill does not include a repeal of this exemption, these institutions can engage in government-funded employment discrimination.

I am committed to our U.S. Constitution and civil rights statutes. Unfortunately, H.R. 7 threatens these very principles and I believe it is unnecessary and unconstitutional. It is important to note that under current law, religious entities can seek government funding by establishing 501(c)(3) affiliate organizations.

I look forward to working with faith-based entities in their good works, but will also remain a strong advocate of civil rights, religious tolerance and the independence of our religious institutions. Join me in opposing H.R. 7 and supporting the Democratic substitute that will address these serious issues.

Mr. DE MINT. Mr. Speaker, I rise today in strong support of H.R. 7, the Community Solutions Act, which is also known as the Faith-Based Initiative.

America has long been a country made up of generous people who want to help a neighbor in need. Long before government programs came along to act as an extra safety net, individuals worked together with their churches and other community groups to ensure those in need were housed, clothed, and fed.

While government programs were created to provide specific services to needy populations, these programs have less incentive to go above and beyond the call of duty. Individuals worked together with their churches and other community groups to ensure those in need were housed, clothed, and fed.

For many people of faith who run social service programs, their faith is what inspires them to go the extra mile for the poor, the homeless, or those in need. That is why the Faith-Based Initiative is a long-overdue, much-needed reform to recognize the importance of the faith community in caring for the most vulnerable of our nation.

I want to take a minute to highlight a couple of wonderful community initiatives in my District which are inspirational to me. The Downtown Rescue Mission in Spartanburg has a myriad of exciting initiatives to provide housing, meals, health services, job training, and other help to give a helping hand up and empower folks in the downtown area.

And in Greenville, since 1937—during the Great Depression—Miracle Hill Ministries has provided leadership in our community by providing food, clothing, shelter, and compassion to hurting and needy people, as well as serving as a model for other homeless outreach programs in South Carolina.

I am proud of these folks and the good work that they do and hope that the Faith-Based Initiative would be helpful to them. There are countless other good people and good organizations—big and small—which could benefit from this attempt to provide a level playing field for the faith community.

This bill also contains some great provisions to encourage charitable giving by individuals and corporations, as well as incentives for low-income individuals to save money that can be used to buy a home, a college education, or start a small business.

We want everyone in America to be able to live the American Dream.

The armies of compassion in our nation should be able to serve the needy and provide those services so that they too—through hard work and perseverance—can make the American Dream a reality.

Mr. GARY G. MILLER of California. Mr. Speaker, I rise in support of H.R. 7 the “Community Solutions Act.”

Although a lot of speakers have focused their remarks on the charitable choice provisions of this bill, I feel that Title III, the Individual Development Account or IDAs offers a
fundamental policy shift which merits the attention of this House.

Many communities are facing an affordable housing crisis. Under law, our solution to this problem has been to increase the number of available Section 8 vouchers. However, this “solution” has only widened the gap between those who dream of owning a home, and those who are able to accumulate the financial resources needed to become a first-time home buyer. Under the Section 8 voucher program, if you demonstrate ambition and work hard to improve your situation, you are no longer eligible for the voucher. But at the same time, you do not have the down payment to own a home.

IDAs will begin to reverse this trend. By encouraging individuals to save for a home through tax exemption IDAs and matching that investment, we finally have policy which makes sense.

I urge my colleagues to support this bill and to turn the American dream of owning a home into a reality.

The SPEAKER pro tempore (Mr. LAHood). All time for debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute printed in House Report 107-144 offered by Mr. Rangel.

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Community Solutions Act of 2001”.

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

Sec. 1. Short title; table of contents.

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

Sec. 101. Deduction for portion of charitable contributions to be allowed to individuals who do not itemize deductions.

Sec. 102. Tax-free distributions from individual retirement accounts for charitable purposes.

Sec. 103. Increase in cap on corporate charitable contributions.

Sec. 104. Charitable deduction for contributions of food inventory.

Sec. 105. Relate excise tax on net investment income of private foundations.

Sec. 106. Excise tax on unrelated business taxable income of charitable remainder trusts.

Sec. 107. Expansion of charitable contribution allowed for scientific property used for research and for computer technology and equipment used for educational purposes.

Sec. 108. Adjustment to basis of S corporation stock for certain charitable contributions.

Sec. 109. Revenue offset.

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(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

“(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

“(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

“(B) QUALIFIED CHARITABLE DISTRIBUTION.—

“For purposes of this paragraph, the term ‘qualified charitable distribution’ means any distribution from an individual retirement account:

“(i) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 70½, and

“(ii) which is made directly by the trustee—

“(I) to an organization described in section 170(c), or

“(II) to a split-interest entity.

“A distribution shall be treated as a qualified charitable distribution only to the extent that the distribution would be includible in gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

“(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

“(i) in general—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire amount of the amount distributed would be allowed under section 170 (determined without regard to subsection (b) thereof and this paragraph).

“(ii) split-interest gifts.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the amount described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

“(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would be so includible if all amounts were distributed from all individual retirement accounts otherwise taken into account in determining the inclusion on such distributions under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

“(D) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

“(i) charitable remainder trusts.—Distributions made from an individual retirement account to a trust described in subparagraph (G)(ii)(I) shall be treated as income described in section 66(b)(1) except to
(a) IN GENERAL.—Paragraph (3) of section 170(b) of the Internal Revenue Code of 1986 (relating to excise tax based on investment income) is amended by striking “2 percent” and inserting “1 percent”.

(b) REPEAL OF REPEAL IN TAX WHERE PRIVATE FOUNDATION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—Section 4940 of such Code is amended by striking subsection (e).

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE REMAINDER TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 664(b) of the Internal Revenue Code of 1986 (relating to exemption from income taxes) is amended to read as follows:

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—In the case of a charitable remainder unitrust or a charitable remainder unitrust as such term is defined in section 664(d)), or a charitable remainder unitrust (as such term is defined in subparagraph (B) of section 664(b)), or a charitable remainder unitrust (as such term is defined in subparagraph (B) of section 664(b)), the term ‘split-interest trust’ means—

(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6634(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6633, except that—

(1) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply, and

(2) (i) in the case of any trust with gross income in excess of $25,000, the first sentence of paragraph (c)(1)(C)(i) shall be applied by substituting ‘$150’ for ‘$20’, and the second sentence thereof shall be applied by substituting ‘$500’ for ‘$1,000’, and

(ii) the third sentence of paragraph (1)(A) shall be disregarded.

If the person required to file such return knowingly fails to file the return, such person shall be personally liable for the penalty imposed pursuant to this subparagraph.’’.

(2) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 664(e) (relating to charitable remainder unitrusts) is amended by adding at the end of the second sentence: ‘‘In the case of a trust which is required to file a return under section 6634(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).’’.

(3) APPLICABLE PERCENTAGE DEFINED.—For purposes of this subparagraph, the term ‘‘applicable percentage’’ means—

(a) IN GENERAL.—Paragraph (3) of section 170(b) of the Internal Revenue Code of 1986 (relating to excise tax based on investment income) is amended by striking “2 percent” and inserting “1 percent”.

(b) REPEAL OF REPEAL IN TAX WHERE PRIVATE FOUNDATION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—Section 4940 of such Code is amended by striking subsection (e).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE REMAINDER TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 664(b) of the Internal Revenue Code of 1986 (relating to exemption from income taxes) is amended to read as follows:

(b) CONFORMING AMENDMENTS.—

(1) IN GENERAL.—In the case of a charitable remainder unitrust or a charitable remainder unitrust which has not been paid out at the beginning of such year, there is hereby imposed on such trust an excise tax equal to the amount of such unrelated business taxable income.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.
(ii) determining the value of trust assets under subsection (d)(2), and
(iii) determining income under subsection (d)(3).

(D) TAX COURT PROCEEDINGS.—For purposes of subsection (c)(1), the references in section 6212(c)(1) to section 4940 shall be deemed to include references to this paragraph.

(B) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 107. EXPANSION OF CHARITABLE CONTRIBUTIONS ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—Clause (i) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting "or assembled after "constructed"").

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—Clause (ii) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified educational contributions) is amended by inserting "or assembled after "constructed" and "or assembling" after "construction".

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) of such Code is amended by inserting "or assembled" after "constructed" and "or assembling" after "construction".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 311(b)(1) of the Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", and", and by adding at the end the following new subparagraph:

"(D) the excess of the amount of the shareholder's deduction for any charitable contribution made by the S corporation over the shareholder's deduction for an adjustment to basis of the property contributed.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 109. REVENUE OFFSET.

(a) IN GENERAL.—Paragraph (2) of section 1(i) of the Internal Revenue Code of 1986 (relating to reductions in rates after June 30, 2001) is amended—

(1) by striking "38.6" and inserting "38.8", and
(2) by striking "37.6" and inserting "37.8", and

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

TITLE II—EXPANSION OF CHARITABLE CHOICE

SEC. 201. PROVIDENCE OF ASSISTANCE UNDER GOVERNMENT PROGRAMS BY RELIGIOUS AND COMMUNITY ORGANIZATIONS.

Title XXXT of the Revised Statutes of the United States is amended by inserting after section 1990 (42 U.S.C. 2000e-1) the following:

"SEC. 1911. CHARITABLE CHOICE.

(a) IN GENERAL.—This section may be cited as the 'Charitable Choice Act of 2001'.

(b) PURPOSES.—The purposes of this section are—

(1) to enable assistance to be provided to individuals and families in need in the most effective and efficient manner;

(2) to supplement the Nation's social services and other efforts to address the needs of new immigrants and the expansion of existing, efforts by religious and other community organizations in the administration and distribution of government assistance under the government programs described in subsection (c)(4);

(3) to prohibit discrimination against religious organizations on the basis of religion in the administration and distribution of government assistance under such programs;

(4) to allow religious organizations to participate in the administration and distribution of such programs in a manner that is consistent with the establishment clause and the religious character and autonomy of such organizations; and

(5) to protect the religious freedom of individuals and families in need who are eligible for government assistance, including expanding the possibility of their being able to choose to receive services from a religious organization providing such assistance.

(2) RELIGIOUS ORGANIZATIONS INCLUDED AS PROVIDERS; DISCLAIMERS.—

(1) IN GENERAL.—A religious organization may be described in paragraph (4) that is carried out by the Federal Government, or by a State or local government with Federal funds, the government assistance under such programs, on the basis of such programs or other nongovernmental organizations, religious organizations to provide the assistance under the program, and the program shall be implemented in a manner that is consistent with the establishment clause and the free exercise clause of the first amendment to the Constitution.

(B) DISCRIMINATION PROHIBITED.—Neither the Federal Government, nor a State or local government receiving funds under a program described in paragraph (4), shall discriminate against an organization that provides assistance under, or applies to provide assistance under, such program on the basis that the organization is religious or has a religious character.

(3) FUNDS NOT ENDORSEMENT OF RELIGIOUS BELIEFS.—Federal, State, or local government funds or other assistance that is received by a religious organization for the provision of services under this section constitutes aid to individuals and families in need, the ultimate beneficiaries of such services, and not support for religious or other religious beliefs or practices. Notwithstanding the provisions in this paragraph, title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) shall apply to organizations receiving assistance funded under any program described in subsection (c)(4).

(4) PROGRAMS.—For purposes of this section, a program is described in this paragraph—

(A) if it involves activities carried out using Federal funds—

(i) related to the prevention and treatment of juvenile delinquency and the improvement of the juvenile justice system, including programs funded under the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5001 et seq.), and

(ii) related to the prevention of crime and assistance to crime victims and offenders' families, including programs funded under the Violent Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.);

(iii) related to the provision of assistance under Federal housing statutes, including the Community Development Block Grant Program established under title I of the Housing and Community Development Act of 1992 (42 U.S.C. 5301 et seq.);

(iv) under title II of the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), and

(vi) related to the prevention of domestic violence, including programs under the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) and the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.);

(vii) related to hunger relief activities; or

(B) if it involves activities to assist students in obtaining the recognized equivalents of secondary school diplomas and accredited degrees relating to nonschool hours programs, including programs under—

(I) chapter 3 of subtitle A of title II of the Workforce Investment Act of 1998 (Public Law 105-220); or

(II) part I of title X of the Elementary and Secondary Education Act (20 U.S.C. 6301 et seq.); and

(C) except as provided in subparagraph (A) and clause (i), does not include activities carried out under Federal programs providing education to children eligible to attend elementary schools or secondary schools, as defined in section 1401 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

(3) ORGANIZATIONAL CHARACTER AND AUTONOMY.—

(A) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (c)(4) shall have the right to retain its autonomy from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(B) ADDITIONAL SAFEGUARDS.—Neither the Federal Government, nor a State or local government with Federal funds, shall require a religious organization, in order to be eligible to provide assistance under a program described in subsection (c)(4),—

(A) alter its form of internal governance or provisions in its charter documents; or

(B) remove religious art, icons, scripture, or other symbols, or to change its name, because such symbols or names are of a religious character.

(5) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (c)(4), and any provision in such programs that is inconsistent with or would diminish the exercise of an organization's autonomy recognized in section 702 or in this section shall have no effect, except that no religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c)(4) shall, in expending such funds allocated for the salary or wages of an employee of a religious organization, comply with the nondiscrimination provisions of title VII of the Civil Rights Act of
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SEC. 303. CHANGE IN LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.

Section 410(b) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows: "(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $500 from a grant made under section 406(b) shall be provided per year to any one individual during the project."  

SEC. 304. ELIMINATION OF LIMITATION ON DEPOSITS FOR A HOUSEHOLD.

Section 410 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking subsection (c) and redesignating subsections (d) and (e) as subsections (c) and (d), respectively.  

SEC. 305. EXTENSION OF PROGRAM.


SEC. 306. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO TEXT.—The text of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "demonstration" each place it appears:  

(1) Section 405(a).  

(2) Section 405(b).  

(3) Section 405(c).  

(4) Section 405(d).  

(5) Section 405(e).  

(6) Section 405(f).  

(7) Section 405(g).  

(8) Section 405(h).  

(9) Section 405(i).  

(10) Section 405(j).  

(11) Section 405(k).  

(12) Section 405(l).  

(13) Section 405(m).  

(14) Section 405(n).  

(15) Section 405(o).  

(16) Section 405(p).  

(17) Section 405(q).  

(18) Section 405(r).  

(19) Section 405(s).  

(20) Section 405(t).  

(21) Section 405(u).  

(22) Section 405(v).  

(23) Section 405(w).  

(24) Section 405(x).  

(25) Section 405(y).  

(26) Section 405(z).  

(27) Section 405(aa).  

(28) Section 405(bb).  

(29) Section 405(cc).  

(30) Section 405(dd).  

(b) AMENDMENTS TO SUBSECTION HEADINGS.—The heading of each of the following provisions of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "demonstration":  

(1) Section 405(a).  

(2) Section 405(b).  

(3) Section 405(c).  

(c) AMENDMENTS TO SECTION HEADINGS.—The headings of sections 406 and 411 of the Assets for Independence Act (42 U.S.C. 604 note) are amended by striking "demonstration":  

SEC. 307. APPLICABILITY.

(a) IN GENERAL.—The amendments made by this title shall apply to funds provided before, on or after the date of the enactment of this Act.  

(b) PRIOR AMENDMENTS.—The amendments made by title VI of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106-554) shall apply to funds provided before, on or after the date of the enactment of such Act.  

The SPEAKER pro tempore. Pursuant to House Resolution 196, the gentleman from New York (Mr. Rangel) and the gentleman from California (Mr. Thomas) each will control 30 minutes.  

The Chair recognizes the gentleman from New York (Mr. Rangel).  

Mr. Rangel. Mr. Speaker, I yield myself such time as I may consume.  

Mr. Speaker, we have an opportunity here to review a very important piece of legislation. As relates to the tax portion of this bill, I do not think anybody would believe that allowing a taxpayer to deduct $25 cap or $50 for a couple is enough incentive, or that incentive is necessary. But this is politics as usual, and so we are prepared not to fight that. But the least we should do is to pay for those things. $13 billion, in the majority's point of view, is not a lot of money. After all, they have just passed a $1.3 trillion tax cut. But it would seem to me, Mr. Speaker, that if we are going to have a budget and we are going to try to stay within the four corners of that budget, the least we could do is to try to pay for those things.  

Mr. Speaker, I yield 15 minutes to the gentleman from Michigan (Mr. Conyers), the ranking member of the Committee on the Judiciary, and I ask unanimous consent that he be allowed to further allocate the time.  

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

There was no objection.  

Mr. Rangel. Mr. Speaker, I yield the balance of my time to the gentleman from Washington (Mr. McDermott), and I ask unanimous consent that he be allowed to further allocate the time.  

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

There was no objection.  

Mr. Thomas. Mr. Speaker, I yield 15 minutes of my time to the gentleman from Wisconsin (Mr. Sensenbrenner), and I ask unanimous consent that he be permitted to control that time.  

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

There was no objection.  

Mr. Thomas. Mr. Speaker, I yield myself such time as I may consume.  

Mr. Speaker, I find it rather interesting that during the debate on H.R. 7, that there were statements made about the tax portion of the bill, especially in terms of title I, almost rising to the level of derision on the amount of money that was provided to individuals who did not itemize their tax deductions. One gentleman called it nonsense in terms of what, on a bipartisan basis, we are doing in changing the Tax Code.  

I do not know about you, but I have had some enjoyment watching, over these recent evenings, the programs on dinosaurs, "When Dinosaurs Roamed America," on the Discovery Channel. Frankly, some of the facts that have been mentioned on the program are staggering. For example, in referring to the sauropods which were the largest dinosaurs to roam America and they were herbivores, to give some understanding, I guess, of the size of these beasts, it was indicated that, on a daily average, they left about 2,000 pounds of fecal material.  

I just pondered that fact, because in listening to my Democratic colleagues stand up and deride the tax portion of H.R. 7, I am fascinated to find that in their offering of their substitute, when they had a clean sheet of paper and, of course, if they deride the amount of money provided to nonitemizers, they certainly could have picked any number they thought was appropriate. If they thought those provisions to corporations were inadequate, they certainly could have picked any structure they wanted, and they are saying they are going to pay for their proposal, and, therefore, they had any amount of money that they chose to pay for any program they thought was appropriate for charitable giving.  

Do you know what that clean, white sheet of paper turned into? It turned into word for word, sentence for sentence, paragraph for paragraph the charitable giving portion of H.R. 7. Yes, my friends. The substitute's tax portion is absolutely identical, notwithstanding all of their criticism of the majority's bill.  

And so when I think back at that 2,000 pounds, I just wonder what Democratosaurus can produce. We have seen the first major installment. For them to stand up and ridicule the charitable tax provisions in the bill and then turn right around and word for word incorporate them in the substitute certainly is a really big pile.  

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

Mr. McDermott. Mr. Speaker, I yield myself a couple of minutes here.  

The distinguished chairman of the Committee on Ways and Means certainly is an erudite speaker and I appreciate his great erudition on these matters.  

However, the gentleman knows that since he runs the House, he sets the rules. You would not let us have a clean amendment. You said, you have to do a substitute; and you have got to make it germane. You made it so tight, we did not have any way to do it but to use your stupid vehicle. But we wanted to pay for it. If we could have added the amendment and simply paid for it, we would have done it, because we would have proven the hypocrisy of what has gone on on the other side.
You are offering this amendment, and you have broken the budget; and you are into Social Security, and you will not pay for it.

That is what the people need to understand. We are willing to pay for what we do. It will turn out in this vote that you are not. You are simply doing a PR exercise.

Everybody on the other side already has their press release ready: "Today we gave a charitable choice to every American. They can participate." It is an empty sack.

Mr. Speaker; I yield 1 1/2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, as a person that strongly believes that our religious and faith-based nonprofit sector and vital role in potentially helping us solve problems, particularly for the poor, I rise in opposition to the underlying bill.

Thomas Jefferson wrote: "Politics, like religion, hold up the torches of martyrdom to the reformers of error."

The reformers of error in this instance are the authors of this bill, and they are so for two reasons: we have a very important separation, a wall, a separation of church and State in this country; and, instead of breaking it down, they are tunneling under it.

On page 45 of their bill, instead of having money go directly to these institutions, we can use vouchers or certificates or other forms of reimbursement. We have rejected vouchers to our public schools; we should reject vouchers to our houses of private worship.

Finally, Mr. Speaker, on the tax cut: I voted for a tax cut, a $1.3 trillion tax cut. This one is $13.3 billion. We just took any jobs that may be created by this bill are those who are motivated by charity. These jobs will not pay lots of money.

The goal here is to help people. The goal here is to allow those who have been helping people for years to get a few more resources from the Government to do an even better job than they do now.

Mr. McDermott. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker. I thank the gentleman yielding me time.

Mr. Speaker, America is the greatest country on the face of the Earth, and in part it is because of the inspiration that our Founding Fathers had in the drafting of the Constitution and the promulgation of the first 10 amendments: "We hold these truths to be self-evident."

The gentlewoman says this is not a jobs bill, and she is correct. This is a bill about doing what our faiths tell us to do; lifting people up, reaching out to them, helping them. My party believes in that. I think the other party does as well.

I was a Jaycee. The Jaycee creed starts with these lines, that faith in God gives meaning and purpose to life.

I am a Baptist. There are many faiths represented in this body. I am also from Maryland. In April of 1649, Maryland passed an act on religion, now known as the Act on Toleration. It was one of the first statutes in these colonies that said we were going to make sure that the State did not infringe upon religion. Why? Because the Calvert family was Catholic, and the majority of the colony was Protestant, and they wanted to make sure that the Government did not infringe upon the right to practice their religion, which is, of course, why they came to these colonies.

This is a fundamental issue. That is why this substitute is so good, because among those principles that we hold dear in America and the reason we are so great is because we do not believe in discrimination, knowing full well that some practice it, but that discrimination is not one of those truths that we hold dear. We are going to do everything possible to make sure that we do not infringe upon it.

In the fifties and sixties and throughout our history, men and women have died for that principle. Let us have the courage to vote for that principle. Vote for this substitute and vote against the underlying bill.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Speaker, first I want to praise the chairman of the Committee on Ways and Means for his ability to work his way through the budget context. We would have all preferred to go to $500, but he has taken a stair-step method that enables people who do not take large tax deductions to take the small increments that many small churches were asking us to do.

It is appalling that Members have stood on this floor and mocked those who do not have large resources, but who would like to contribute to their local resources. I praise the gentleman for his effort.

I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Ms. HART).

Ms. HART. Mr. Speaker, I rise in opposition to the substitute and in support of the bill as it stands. The Community Solutions Act is just that. The Community Solutions Act is designed to aid organizations that aid communities.

This is not a jobs bill. I repeat, this is not a jobs bill. This is designed to give more resources to the organizations who know their communities, the organizations who are driven by faith and charity to help people in communities who need help. It is not designed to create a bunch of new jobs. In fact, hopefully, the only people who will take any jobs that may be created by this bill are those who are motivated by charity. These jobs will not pay lots of money.

Finally, Mr. Speaker, let us revisit the comments made by the gentleman from Maryland (Mr. HOYER).

The reformers of error in this instance are the authors of this bill, and they are so for two reasons: we have a very important separation, a wall, a separation of church and State in this country; and, instead of breaking it down, they are tunneling under it.

Mr. McDermott. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

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It is appalling that Members have stood on this floor and mocked those who do not have large resources, but who would like to contribute to their local resources. I praise the gentleman for his effort.

I yield 2 minutes to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Ms. HART).
Mr. Speaker, on page 40 of H.R. 7 is the very crux of why we believe that this is a particularly pernicious, pernicious bill. A woman who is pregnant comes walking along, and suppose her purse falls and something pops out of the purse. Lo and behold, it is birth control pills. Under this piece of legislation, if that particular religion does not accept forms of prevention, that woman could be fired on the spot because they do not accept it. You tell me where it is she is protected in this legislation?

In the early days of the Bush administration, the Office of Faith-Based Initiatives was created with the great idea that religious community-based organizations are the best source of social services.

I support the Rangel-Conyers-Frank-Nader substitute. I was the mayor of Paterson before I came to the Congress, a city whose residents rely on exactly the social programs this legislation is designated to help. Believe me, my city counted on these social services. And plus, because some of us think that perhaps they understood the role, the important and vital role that religion and, self, and that, to many of us, is God; and we want to bring God back into it. But they want to continue to discriminate against those that want to bring in faith-based institutions, that have proven to be successful.

Mr. THOMAS. Mr. Speaker, it is my privilege to yield 2 minutes to the gentleman from Texas (Mr. DeLAY), the majority whip of the House of Representatives.

Mr. DeLAY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I come to this debate today in a very solemn mood, but a very excited mood at the same time, because this is the beginning of a debate that we have been looking for a long, long time; in fact, my entire adult life. This is the beginning of a very real debate in this country over two very distinctly different world views.

For 40 to 50 years, we have had the world view, as exemplified by the opposition all day long today, a world view that has been going on for 40 or 50 years, and that world view basically is man against God, man against Utopia, and what can undermine that building of Utopia is bringing God into the mix. So they have spent 40 to 50 years getting God out of our institutions, and they have fought very long and been very successful at it.

Yet now we have a President that comes along and says, no, faith is important; what you believe is important. What you believe is what you are, and we need to bring it back in, because the world view that says we are going to build Utopia by building huge government programs that do everything for you, faith does not have to enter into it.

Do you know what the result of that is? Look at what has happened over the last 40 or 50 years to the culture, the fabric of the culture of this country. I do not have time to list it here, but we all know what I am talking about. The culture, very fabric has been ripped apart, the culture of this country.

Now we want to bring it back in, and part of rebuilding that culture is faith, faith in the basic tenets of your, yourself, and that, to many of us, is God; and we want to bring God back into it. But they want to continue to discriminate against those that want to bring in faith-based institutions, that have proven to be successful.

Mr. DOGGETT. Mr. Speaker, 40 or 50 years, I would tell the gentleman from Texas (Mr. DeLAY), indeed, 200 years and plus, because some of us think that just maybe our Founding Fathers, Mr. Jefferson and Mr. Madison and all those that played a role in our Bill of Rights, may have known just slightly more than the greats of today such as the gentleman from Texas (Mr. DeLAY), Mr. Gingrich, the gentleman from Texas (Mr. ARMSEY), and the gentleman from Illinois (Mr. HASTERT). Perhaps they understood the role, the important and vital role that religion would play in our society, and they would also recognize that we do not need government interfering with it. We do not need government funding it.

Indeed, that is why hundreds of religious leaders, who are doing innovative work—enriching and changing lives across this country, have opposed this bill. Because they are doing their good deeds, they are living their faith and their religion, and they do not even need the gentleman from Texas (Mr. DeLAY) and the gentleman from Illinois (Mr. HASTERT) to come in and pass a bill to let them do it.

Today is a referendum on discrimination. We will have a vote today on which the Members of this House will have an opportunity to say whether they want to spend Federal tax dollars to encourage discrimination in employment or not. And the second matter, the ultimate faith-based initiative today is on the issue of fiscal responsibility.

Mr. Speaker, these Republicans are draining the Medicare Trust Fund as quickly as they can turn the spigot. And when they get through emptying it, they are moving next to the Social Security Trust Fund. That is why rather than remaining true to recent very effective, President Bush’s Medicare, The Director of the Office of Management and Budget calls the Medicare Trust Fund “a fiction.” Indeed, the real fiction is the claim that Republicans can provide tax breaks like this and maintain any sense of fiscal responsibility.

If we think that the gentleman from California (Mr. Thomas) can keep coming in here, week after week, with one special interest tax break after another, today for those that helped in getting out the Republican vote last year in certain parts of the religious community, and next week with the breaks for the oil, gas industry nuclear and coal industries, if we think that he can provide all of those tax breaks and not pay for or provide offsets for a single one of them without invading the Medicare Trust Fund and the Social Security Trust Fund, Mr. Speaker, if we think he can accomplish that, we are really investing the ultimate faith-based initiative.

Mr. THOMAS. And the Democrats’ sorrow pile grows and grows.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. PTTTS).

Mr. PTTTS. Mr. Speaker, not every human need and social problem requires a government program. There are many charitable, nongovernmental, nonprofit, humanitarian and faith-based programs that work, that are very effective. President Bush recognized the power of faith-based organizations, and he has challenged America to harness this power. He points to groups like Teen Challenge that operate in Pennsylvania for over 40 years. It has an 86 percent success rate in drug and alcohol rehab, and they track their graduates for 7 years after they graduate. The government programs we fund have a 6 to 10 percent success rate. Clearly, there is a difference. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. PTTTS).
Mr. STEARNS. Mr. Speaker, I think all of us should reflect a little bit and realize that four bills were signed by President Clinton that had charitable choice in them and they passed overwhelmingly. I suspect that a lot of people who are debating this voted for those bills, because they passed 345 to 34 and 414 to 0.

Proponents of the idea to substitute their own bill always talk about our bill violates the first amendment, and this is a very relevant question. It demands some serious consideration. Those who support the idea that they want to put in another bill because they believe in the first amendment do so because they believe in the first amendment, but we all do. The Constitution provides, "Congress shall make no law respecting the establishment of religion or prohibiting the free exercise thereof."

But this charge is twofold. The first amendment provides that the government cannot establish one religion or a religion over a nonreligion. And but also, I say to my colleagues, provides that the government shall not prohibit the free exercise of religion.

This is a very important point and the purpose of our bill. With some constitutional concerns in mind, we must make certain to allow members of organizations and those who are faith-based in government programs designed to meet basic human needs and ensure that capable and qualified organizations not be discriminated against on the basis of their religious views.

So charitable choice makes clear that existing Federal law providing for the Federal provision of social services should not be to exclude. One cannot exclude faith-based organizations solely on the basis of their beliefs.

So I would conclude, Mr. Speaker, to point out that what we are trying to do is the exercise of freedom of religion, and that is what charitable choice does.

Mr. McDERMOTT. Mr. Speaker, I yield myself such time as I may consume.

This amendment was put out here for a very simple purpose. The Republicans have been acting like they had a $500 bank account and they were going to write ten $100 checks; and that is what the Committee on Ways and Means Chairman led by the Committee on Ways and Means Republicans have done over and over again.

We received a letter from the gentleman from Iowa (Mr. NUSSELE) on July 11 that said that the surplus remaining was $12 billion. Now, the President has yet to submit a defense request to us. The lowest estimate anybody has heard is that he wants $10 billion. So if we just imagine taking 12 and subtracting 10, we now have $2 billion left in surplus and that should go into Social Security and Medicare. Okay?

Now, we also have stuff coming out of the CBO and the Committee on Joint Taxation telling us that the economy has slowed down and the revenue estimates are going down. A very conservative estimate of how far down they have gone is $20 billion. Now, remember, we have that $2 billion left, we subtract another 20, we are $18 billion into the surplus in Medicare.

Mr. Speaker. I do not know how many times I have heard people come out and say, we are going to put a lockbox on these funds. By God, we are going to put a lockbox on this, on Social Security, and lock up all that Medicare.

Right here, before we pass this foolish thing, we are already $18 billion into the Medicare money. Now we have another $13 billion here. So now we are up to $31 billion, and next we are all going to get a chance to come out here and pass a bill about energy cuts. I have forgotten what that one is. I think it is $33 billion. And we now that $500 checking account that we wrote $1,000 worth of checks on, we are going to write about $5,000 worth of checks by the time we are done. We are bankrupt, unless we go into Social Security and Medicare.

Now, we can do all the dancing we want out here and talk all about the issue of the first amendment. I mean, people are acting like somehow we cannot have religious communities, our children, the poor, the disabled, the disinterested, not out of a motivation for public funding but driven by the beneficent dictates of their faith. That work goes on. It must go on. I applaud the administration for the desire to further this goal.

But this bill is not the way. Providing Federal funding directly or indirectly through a massive multi-billion dollar voucher program, practically or nonreligious activities related to the delivery of social service runs squarely into conflict with our Constitution.

Why does that matter? Perhaps the Founding Fathers got it wrong. Because the Constitution has no separation of church and State. Perhaps the Founding Fathers were simply antagonistic to religion. No, they were not. The right of free exercise of religion and against the establishment of religion protected in our Bill of Rights are intertwined rights. They are inseparable. Allow the establishment of religion, and we do away with the free exercise of religion. Allow the excessive entanglement of church and State as represented in this bill, and we do not serve church or State.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I think all of us should reflect a little bit and realize that four bills were signed by President Clinton that had charitable choice in them and they passed overwhelmingly. I suspect that a lot of people who are debating this voted for those bills, because they passed 345 to what another of your, renew community...
has begun his or her remarks by citing some faith-based organization back in his or her own district in the doing such a wonderful job and then talking about how incredibly supportive they are of those organizations. Yet, with their substitute and with their attacks, the opposition would add burden after burden after burden on these very organizations. In fact, the last speaker would scare faith-based organizations to make sure that they do not take advantage of this law. Worse yet, some of them, some of them would like to remove the religious exemption that these organizations have enjoyed for years and which has been upheld by this body and the United States Supreme Court.

But remember this, the first amendment to the Constitution says that government shall not establish a religion, but it also requires us to honor religious liberty. We have done so for years and we are doing so in these times since charitable choice. Some here today would delete that exemption.

Mr. Speaker, maybe we should have that debate on the floor of this House, but that is not the debate today. This is not about scrapping faith-based organizations, this is not about putting burdens on them, this is about turning them from rivals in the minds of too many people to partners.

America is hurting. America has needs. America has challenges. Neighborhood after neighborhood has challenges. There are organizations in these neighborhoods ready and willing to make a difference. We should stand by their sides. We should extend a helping hand. If we do this, we can win the war on poverty. We can change America for the good.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield the remainder of my time to the gentleman from South Dakota (Mr. THUNE).

The SPEAKER pro tempore (Mr. LAHOUDE). The gentleman from South Dakota (Mr. THUNE) is recognized for 15 seconds.

Mr. THUNE. Mr. Speaker, as we close this debate, I would like to say that I had the opportunity last April to travel around my home State of South Dakota and visit a few of the hardworking local charities that would benefit from this legislation.

I am continually amazed by the kind hearts of the neighborhood saints who work and volunteer at these organizations day in and day out. These folks serve the poor, the weak, and the victimized.

We need to support this legislation, because these organizations can make a difference in people's lives. We need to defeat the Democrat substitute and pass H.R. 7.

Mr. MORMOTT. Mr. Speaker, I ask unanimous consent that the gentleman from New York (Mr. NADLER) be allowed to manage the 15 minutes allocated to the Committee on the Judiciary.

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

There was no objection.

Mr. NADLER. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, it is unfortunate that we have been forced by the Republican leadership to consider many of the principle problems with this bill in one substitute amendment. It would have been better to have an open debate on separate amendments, but that might have been proven embarrassing.

Therefore, we have this substitute, which does several things. It prohibits employment discrimination and pre-emption of State and local civil rights laws with Federal funds, it provides offsets for the costs of the bill, it deletes the sweeping new provisions permitting agencies to convert more than $47 billion in government programs into private vouchers without congressional review, and it protects participants from religious coercion.

Members do not believe in employment discrimination, and if they support the civil rights laws of their community, they should vote for the substitute. If Members are concerned about the administration having unfettered discretion to turn billions of dollars of social services into vouchers without any congressional review, they should vote for the substitute.

If Members think that the charitable deductions established in this bill should be paid for by a slightly lower tax cut to the very wealthy, rather than by raiding the Social Security and Medicare trust funds, they should vote for the substitute.

If Members are fiscal conservatives and think tax cuts must be paid for, they should vote for the substitute.

If Members believe that the most vulnerable members of our society should be free from religious coercion when they seek help, then they should vote for the substitute.

Some Members may want the substitute to do something more or may wish the substitute did not do something that it does. But if Members are concerned that this bill is flawed and want to make their concerns known, they should remember that their choice is between the substitute and the bill. If Members do not vote for the substitute, they should not delude themselves into believing the concerns will be addressed down the road.

If the Republican leadership of the House thinks they can muscle this flawed legislation through the House, they will not pause to repair the terrible flaws later.

Members should vote for the substitute if they have any of these concerns. I urge my colleagues to do so.

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

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong opposition to the substitute. It not only removes key provisions of the bill, but it denies religious organizations civil rights protections they currently enjoy.

Make no mistake about it, the substitute is a radical retrenchment of current law which flies in the face of a unanimous Supreme Court which upheld religious organizations' exemption from title VII, even when they perform social services that contain no religious worship, instruction, or proselytization.

One of the most important charitable choice principles is the guarantee of institutional autonomy that allows faith-based organizations to select staff on a religious basis. H.R. 7 preserves this guarantee and is supported by no less a civil rights leader than Rosa Parks. She has said that H.R. 7 is...
an important response to urban America in its reduction of discriminatory barriers currently suffered by many grass roots churches who are unable to access funding for educational and social welfare programs.

Now, if churches are allowed to compete for Federal social service funds, they must be able to remain as churches while doing so, and being able to hire those of the same faith is absolutely essential to being a church.

Even former Vice President Al Gore during his campaign, and in a speech to the Salvation Army, said that, “Faith-based organizations can provide jobs and job-training, counseling and mentoring, food and basic medical care. They can do so with public funds, and without having to alter the religious character that is so often the key to their effectiveness.”

Again, the only way a church can retain its religious character is if it can hire staff with those who share the same faith.

In addition, the small churches of America will often be providing the social services covered by H.R. 7 with the same staff they currently have. That staff likely shares the same religious faith.

The substitute would make it impossible, impossible for these small churches to contribute to Federal efforts against desperation and hopelessness, and it is precisely these small churches that H.R. 7 intends to welcome into that effort.

Section 702 of the Civil Rights Act of 1964 has for decades exempted private nonprofit religious organizations engaged in both religious and secular nonprofit activities from title VII’s prohibition on discrimination in employment on the basis of religion. The Supreme Court, including Justices Brennan and Marshall, upheld this exemption in the Amos case:

“Section 702(a) is not waived or forfeited when a religious organization receives Federal funding. No provision of section 702 states that its exemption of nonprofit religious organizations from title VII’s prohibition on discrimination in employment is forfeited when a faith-based organization receives a Federal grant,” but the substitute would do just that, and change current law.

The portion of the substitute that says that no Federal funds can go to an organization that engages in sectarian instruction, worship, or proselytization at the same time and place as a government program is fatally unclear. Does it mean that no sectarian activities can occur anywhere in a church when only the church basement is being used to run a life-skills class under a covered roof? If two rooms in the church are being used to shelter a battered spouse, does the rest of the church have to cease all religious functions?

The substitute contains language that may say yes to those questions. Inner-city churches in low-income neighborhoods simply cannot afford to set up duplicate facilities to run these social service programs. The substitute punishes small churches, particularly those in poor neighborhoods that cannot and should not have to set up two different buildings to take part in Federal social service programs.

Regarding the indirect funding language of the bill, the Supreme Court approved indirect funding as a way to much reduce church-state separation as far back as 1983 in Mueller v. Allen and in Witters v. The Washington Department of Social Services to the Blind in 1986.

Subsection 1 in H.R. 7 is about more than vouchers, which is just one type of interfaithism. It is not necessary that a beneficiary actually be handed a piece of paper called a voucher and carry it to the point of service.

According to the Supreme Court, indirect funding is where a beneficiary has genuine choice of social service providers; where the exercise of that choice determines which provider ultimately receives the funding, because the beneficiary decides where the funding goes and not the government.

The Supreme Court has said that the government’s responsibility stops with the beneficiary. Therefore, whether the funds end up in a secular or religious group is a matter of private choice, and the establishment clause does not regulate private choices.

The minority party complains of hazards of church-state separation with H.R. 7. When the majority proposes subsection 1, which would alleviate all the concerns of entanglement, and threats to the autonomy of the faith-based organizations, they object to the perfect solution to their complaints.

The minority also acts like indirect funding is a new and untested idea. We have been living with the child care development block grant act since late 1990. With this act, the Federal Government has been funding services provided by churches via indirect aid, which provide over 40 percent of the indirect development block.

It has resulted in no problems. Indeed, none of the radical separationist organizations have dared to even file a lawsuit to challenge this act.

It is not just day care that can be funded by indirect aid. Alcohol and drug rehabilitation centers can also work in this manner. The State and local government determines who meets the qualifications for these services, and counselors work with qualified providers; where the exercise of that choice determines which provider ultimately receives the funding, because the beneficiary decides where the funding goes and not the government.

We have genuine choice of social service providers. The beneficiary decides where the funding goes and not the government.

The substitute contains language that may say yes to those questions.

For all these reasons, I urge my colleagues to oppose the substitute.

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

Mr. RANGE. Mr. Speaker, I yield myself 15 seconds to correct the misstatement of fact by the distinguished chairman who stated that churches can discriminate. They can, but not with Federal funds. This bill would allow them to discriminate with Federal funds. The motion to substitute would say they cannot.

Mr. Speaker, I will later include for the RECORD the letter from Rosa Parks saying she does not support discrimination with Federal funds.

Mr. GEPHARDT, the distinguished minority leader, this is why I want to express my support for amendments you plan to offer. My amendment is a way to express my support for amendments you plan to offer. The motion to substitute would say they cannot.

Mr. Speaker, I have spent our entire lives fighting against discrimination and in favor of the protections set forth in our Bill of Rights. The last thing we would want to do is permit H.R. 7 to be used to narrow the civil rights laws or to intrude on the First Amendment. This is why I want to express my support for amendments you plan to offer. The motion to substitute would say they cannot. We do not want to change the 1964 Civil Rights Bill that we fought so hard to achieve.

Churches already know that they cannot use food or other services they may provide as an excuse to force people to accept their religious views, while using government funds. I am certainly in support of making sure that does not happen.

Mr. Speaker, we have both been on this floor fighting against discrimination and in favor of the protections set forth in our Bill of Rights. It is in my hope that adoption of these amendments will help broaden the bipartisan support for the bill and allow the measure to be quickly passed into law so that churches can increase their role in fighting poverty and other urban ills.

Rosa Parks. Peace and Prosperity.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. GEGERD), the distinguished minority leader.
Mr. GEPTHDRT. Mr. Speaker, I rise to speak in favor of this substitute. I believe it is a superior bill to deal with this very important problem.

I am saddened to stand before the Members in opposition to the language of the bill that is on the floor. In my view, this bill represents a missed opportunity to extend the good works of faith-based organizations.

I am a strong supporter of not-for-profit and faith-based organizations. I believe they provide tremendous help to people all over this country. They feed the hungry. They put roofs over people's heads. They tend to the most underprivileged in our society, the poorest members of our communities. They are vital to every community in America, and as forces for good in our society, they are simply irreplaceable.

But I do not believe that we should accept the premise of the legislation before us. I believe in the Golden Rule: "Do unto others as you would have them do unto you." I do not think that we should expand government support for institutions at the expense of fundamental humanist principles of equality, individual liberty, and freedom.

The consequences of this bill, unintended or not, are that it will be easier for these important institutions to ignore fundamental State, local, and Federal antidiscrimination laws. Just last week, The Washington Post reported that the Bush administration had reached some kind of an agreement with the Salvation Army. In exchange for political support, the White House would consider exemption for the Salvation Army from local and State laws protecting gay Americans from discrimination. This was a sad development, and it indicates the kinds of problems this law creates for potentially millions of Americans in every corner of our society.

I am also concerned that the bill has a tax incentive that is not paid for, and a very small incentive that will have little or no effect on charitable giving.

We continue to worry about going into Medicare and Social Security Trust Funds in this budget, and we should not pass new tax breaks without finding offsets so we do not invade these critical programs.

Finally, will this bill violates the fundamental church-State separation that is still a fundamental principle of our democracy. This bill will invite government regulation of religious institutions; and through a little known loophole, it will invite government scrutiny of the allocation of government-wide vouchers, which will blur the line separating church from State, weakening our Bill of Rights.

In short, I do not think this bill is what the American people want, and I do not believe this is what the House of Representatives wants for our country. Americans enjoy the wonderful protections afforded by the Bill of Rights, the Civil Rights Act of 1964, and the countless other critical laws at State and local level. They have made more freedom and more equality everyday reality in people's lives. I urge Members to vote for this substitute so that we can support faith-based institutions in ways that will not harm the people of this great democracy but will uphold the role of faith in our great and diverse Nation.

Mr. SENSENBRENNER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Kirk).

Mr. KIRK. Mr. Speaker, I would like to engage the author of the bill in a colloquy.

Many H.R. 7 supporters have questioned why this issue is suddenly being discussed, since the most recent version of the charitable choice signed into law last year included the following provision: "Nothing in this section shall be construed to modify or affect the provisions of any other Federal or State law or any regulation that relates to discrimination in employment." Is that not correct?

Mr. WATTs of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from Oklahoma.

Mr. WATTs of Oklahoma. Mr. Speaker, yes, that is an accurate characterization.

Mr. KIRK. H.R. 7, as currently written, does not include similar language prohibiting the preemption of State and local laws; is that not correct?

Mr. WATTs of Oklahoma. If the gentleman will continue to yield, yes, that is correct.

Mr. KIRK. If a State law prohibits discrimination based on a particular characteristic, and in a religious organization would ordinarily, based on State law, be required to comply with that law, would H.R. 7 change that situation in any way?

Mr. GREEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KIRK. I yield to the gentleman from Wisconsin.

Mr. GREEN of Wisconsin. Mr. Speaker, yes, H.R. 7 would change this situation, in a particular instance. If a religious organization were to use funds where the State funds have been committed with Federal funds, it could assert its right under subsection (d) and (e) of H.R. 7 against the enforcement of State or local procurement provisions that limited the religious organization's ability to staff on a religious basis.

Mr. KIRK. Mr. Speaker, reclaiming my time, I thank the gentleman from Wisconsin for that clarification.

Several constitutional lawyers have informed me that H.R. 7 would indeed change the existing situation. This is precisely where we seem to most disagree on the direction our policy should move in. I would hope that the gentleman from Oklahoma (Mr. WATTs) would commit to working with us on this issue.

The gentleman from California (Mr. DREIER) and several representatives of the leadership have expressed their desire to clarify this issue in conference.

Mr. WATTs of Oklahoma. If the gentleman will further yield, as sponsors of the bill, the gentleman from Ohio (Mr. Hall) and I are willing to make the commitment that we will more clearly address this issue in conference and with the gentleman as the process moves along.

Mr. KIRK. Mr. Speaker, I thank the gentleman.

Mr. NADINGER. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. WATTs).

Mr. WATTs of North Carolina. Mr. Speaker, to be honest; on days like today, I am just saddened to be a part of this body. We bring bills like this to the floor and we scream at each other; and the truth of the matter is that there are wonderful, good people on both sides of this issue.

There are people, black and white, Republicans and Democrats, and I could use all of my time, who have spent their entire lives fighting against discrimination. Some of them are supporting this bill; some of them are opposing this bill; and I am supporting it. I believe, are supporting it because they believe that the benefits outweigh the detriment, and those who oppose it believe that the detriment outweighs the benefit. I happen to be in that latter category.

I have spent my entire life fighting against discrimination in every form, racial, religious, gender, sexual orientation, without exception; and I will not vote for a bill that sanctions discrimination in religion. And that is what this bill does.

Now, some of us can say that it is worth the price to do that, and I will respect a colleague who says that. But
I will not respect anybody who gets up and denies that the bill does not do that. Even the gentleman from Oklahoma (Mr. WATTS) acknowledged that right now he is going to work on it in conference.

The time to work on the bill is here, now, in the committee, in the House. And if it does not measure up, we should vote it down and support the Democratic substitute.

Mr. SENSENBERGER. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HASTERT), the distinguished Speaker of the House.

Mr. HASTERT. Mr. Speaker, I rise in support of the President's faith-based initiative and urge all of my colleagues to vote for it.

This is a bipartisan bill. I worked last year with President Clinton to do the urban renewal. We had recidivism rates of 95, 96, and 97 percent. When we walked into faith-based organizations that were usually government-run, we had recidivism rates of 95, 96, and 97 percent. When we walked into faith-based organizations to see what their results were, we had recidivism rates as low as 24 and 25 percent. It works.

When people care about people and offer their time and their faith and their hard work and their commitment and devotion to change people's lives, it works. Not only does it have the net result of changing people's lives, allowing people a better life, allowing their children and their grandchildren to live a better life, it is also one of the things that, as we look around here, is a little cost effective. If we have recidivism rates of 95, 96, and 97 percent and then turn around and have an answer where recidivism rates are a third of that or less than that, then that is a good idea. It is something we ought to look at.

I believe we need to put the protections in. We need to have the safeguards, and we are trying to do this. I think the good faith of the sponsor says he will do that.

This is a good idea. It is not a new idea. It is part of President Clinton's urban renewal that we did just last year. It is something that works, something that is eminently good common sense. So let us move forward with this. Let us pass it. Let us get it into the Senate. Let us work through the process. Let us lead. Let us do what is right for America.

I commend the sponsor and those who support it, and I appreciate the gentleman from the other side of the aisle, the gentleman from Ohio (Mr. HALL), who has worked on this as well. I have walked a lot of districts, both Republican and Democrat districts. I walked with the gentleman from Illinois (Mr. DAVIS) and the gentleman from Illinois (Mr. RUSH) in Chicago, and have talked to people who have been able to change people's lives. Let us give them a chance to do a better job.

Mr. NADLER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, there is virtual unanimity here on the goal the Speaker stated. We simply do not believe that to get the benefit of these decent well-motivated individuals who run the faith-based institutions that we have to give them the right to discriminate.

Now, we were told, well, there is probably a concession that there are parts of this bill that would allow too much discrimination, they will be fixed in conference. It is funny, when I heard this was the faith-based bill, I thought they were talking about faith in God, not faith in the Senate. I think there is a lot less of that over here than of the other.

This bill clearly authorizes the preemption of State and local civil rights laws. What it says is with Federal money, doing purely secular activities, albeit motivated by faith, they can violate State and local laws. And if the money is commingled, if there is State money and local money, and they try to condition that money on their policies, the Federal money wipes that out.

It also allows religious discrimination. It seems to me to discriminate the faith-based communities. It insults them to say that they can only go forward if they are allowed to violate otherwise applicable State law and discriminate on these groups.

And let me address one absolute inaccuracy. The suggestion that we have heard, that the substitute and then the subsequent recommit, somehow will enact the National Gay Rights Bill, that is absolutely and completely and totally false. All this says is that where there are existing State, State antidiscrimination laws, and an organization would otherwise be covered by them, they are still covered. Federal money does not become the universal solvent. If an organization is in a State and they get Federal highway money, that does not exempt them from State laws. If they get Federal housing money, it does not exempt them from State laws.

Do my colleagues really think so little, those on the other side, of churches and faith-based institutions, and synagogues and mosques, as to think they will not do this faith-based charity unless they are given a special right to violate State laws and discriminate against people? I think we are the ones who truly show faith in them.

Mr. DELAHUNT. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Speaker, I certainly do not want to discourage people of faith. I want to encourage them. But that is not what this debate is about.

In fact, I am more confused now than I was before after listening to the colloquy between the sponsor of the bill and the gentleman from Indiana (Mr. HASTERT). We are going to work on this in conference. We are going to work on States' rights. I thought we did that some 200 years ago. Whatever happened to States' rights?

It seems that devotion, that fundamental principle of the Reagan revolution, is in this Chamber are no longer in vogue today or with this administration, at least on this particular issue.

Remember, last week we learned that the Salvation Army who lobbied the
White House for a regulation exempting them from State and local laws to protect employees from discrimination based on sexual orientation. Then there was an up roar, and that effort was quickly abandoned. Well, they will not need a regulation if this bill becomes law today as it is presented because religious organizations will be able to evade State and local laws simply by receiving a Federal grant. They will be free to deny a job to qualified workers. We must not let this happen. Support the Substitute. Defend States' rights and defeat the underlying bill.

Mr. NADLER. Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. Weiner).

Mr. WEINER. Mr. Speaker, I agree with the sponsors and advocates of this bill. As we look around our communities, it is undeniable the best homeless facilities, drug treatment, even job training programs are not city and State run. They are run by churches and synagogues.

The supporters of this bill are right. We ought not rule out compassionate programs simply because it is motivated by a calling from God. I do not support those who believe that this bill is the handiwork of the radical right. This is the product of a very real desire to replicate the great works that are being done throughout this Nation. Throughout this Nation.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. Edwards).

Mr. EDWARDS. Mr. Speaker, a few moments ago when the Speaker of the House said this bill is not a new idea, the gentleman was absolutely correct. The idea of having tax dollars subsidize our churches and houses of worship was debated 200 years ago by our Founding Fathers. In answering that question, they felt so strongly about it that they not only put it into law, they embedded it into the first 16 words of the Bill of Rights, the proposition that religion in America is best served when we keep the hand of government regulation out of our houses of worship.

Mr. Speaker, the underlying bill today asserts that preemption. It would not establish employment discrimination in the past and we voted to directly fund churches in the past, they fail to point out that most of those debates were at 1:00 a.m. or 2:00 a.m. on the floor of the House with only two or three Members here on a 20-minute debate. I know because I have one of those three Members. Mr. Speaker, this bill was wrong at 1:00 a.m. in the morning, and it is wrong today. Direct funding of our churches was wrong 200 years ago, as evidenced by our Founding Fathers' writing of the Bill of Rights; and it is wrong today.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Ms. Eddie Bernice Johnson).

Ms. EDDIE BERNICE JOHNSON. Mr. Speaker, as Chair of the Congressional Black Caucus, I want to share with my colleagues that we have a unanimous vote to vote against this bill if it is to support us. We support them. We work with them. All of the ministers who were brought here were snookered to think that they were getting something, until they found this clause in the bill.

Mr. NADLER. Mr. Speaker, I yield 1½ minutes to myself. Mr. Speaker, churches have a role to play in the provision of social services, but Members should vote for the substitute to make sure that this bill does not establish employment discrimination with public funds, with preemption of State and local civil rights law, to make sure the bill provides offsets...
for the cost of the bill, to make sure that we protect participants from leadership coercion, and that we do not voucherize $47 billion worth of programs without congressional review.

Mr. SENSENBERNER. Mr. Speaker, I yield the balance of my time to the gentleman from Oklahoma (Mr. WATTS).

Mr. WATTS of Oklahoma. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. SENSENBERNER), the chairman of the Committee on the Judiciary, and the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for their efforts in getting this bill to the floor of the House today.

Mr. Speaker, let me clarify some things that have been said. We do not spend one dime of Social Security or Medicare money on this bill. Nothing in this bill changes any of the civil rights laws. I, too, have been a beneficiary of civil rights law. We do not add or take away from the 1964 Civil Rights Act.

Mr. Speaker, we do not violate the artificial argument of church and State, because this bill is not about church or State. It is about people in the trenches every day having more resources to feed the hungry, to clothe the naked, to house the homeless, to help the drug and alcohol addicted.

This is not about funding faith. It is about people. It is about their hopes, their dreams, their ideas, their ambitions and, most importantly, their goodness. We do not fund churches, mosques, synagogues. We fund their compelling faith to assist those in need. This bill is about standing with people all over America who cannot afford to contribute to any of our campaigns. They cannot give money to some political party or political action committees. They just have a compelling love and a compelling faith to assist those people in their communities that need help.

We should work with them, not against those people in our legislative efforts.

It is fascinating to me the arguments that I have heard, and I too know of many Black ministers who wrote this bill for civil rights. Many of the black ministers who came here in April to the faith-based summit, they knew exactly what they were getting into. Just yesterday we got an endorsement letter from the Southern Christian Leadership Conference, an organization made up of many black ministers from around the country who stood in the civil rights effort. Rosa Parks, Catholic bishops, people from all walks of life, the Jewish community, all have supported this bill.

As the gentleman from North Carolina said, there are many people on both sides of this debate, both sides of the aisle, who are good people, who see the world differently, who say that we should tell all people what to do to help, give them no opportunities just to compete for the dollars. There is no preference. There is no set-aside. We just say faith-based organizations should have an opportunity to compete on a level playing field. Give them the opportunity to do what they do best. They do not get their names in the paper. They do not work a half a day. Yes, they work a half a day. They work the first 12 hours and somebody else works the other 12. They do not get their names in the paper, they do not get a lot of attention, they just love the people who have the same ZIP Code that they have in trying to meet their needs.

Vote "no" on the substitute. Vote "yes" on H.R. 7.

Mr. DAVIS of Illinois. Mr. Speaker, I rise in support of the Democratic Substitute for the Community Solutions Act as there are thousands of communities and millions of people in our country with serious problems and are in need of real solutions.

I rise in support of this legislation, not because I believe that it is Panacea, I don’t believe in one-stop cure-alls for the overwhelming magnitude of social, emotional, spiritual and economic ills which plague our society and are in need of every rational, logical, and proven approach that we can muster.

And yes, Mr. Speaker, I support this legislation because I have faith, faith in the ability of religious institutions to provide human services without proselytizing. I have faith in these institutions to organize themselves into corporate business entities to develop programs, to keep records, and to manage their affairs in compliance with legal requirements. I also have confidence in the ability of these institutions to magnify the Golden Rule, “Do unto others as you would have them do unto you.”

I have listened intently to the issues raised by my colleagues who are concerned about legislation for non-sectarian delivery. I appreciate their concerns about charitable choice, ranging from discrimination to infringement on individual liberties.

However, charitable choice is already a part of three Federal social programs: One, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; two, the Community Services Block Grant Act of 1998, and is part of the 2000 Reauthorization of funding for the Substance Abuse and Mental Health Services Administration.

Each of these programs possess the overarching goal of helping those in poverty, or treating those suffering from chemical dependency, and the programs seem to achieve their purposes by providing resources in the most effective and efficient manner. The opponents of this legislation have expressed concern about the possible erosion of rights and protections of program participants and beneficiaries. (And rightly so, nothing could be more important). Therefore, I am pleased that the crafters of this legislation (the Democratic Substitute) have listened and forthrightly addressed these concerns.

We must be aware of the fact that many people in poverty, suffer from some form of drug dependency. Alcohol, narcotics, and in some instances, even legalized prescription or over-the-counter-drugs.

It reminds us, Mr. Speaker, that poverty, deprivation and the inability to cope with anxiety, frustration, hopelessness is still rampant in our society. Take for example, if you will an ex-offender, unable to get a job, illiterate, semi-illiterate, disavowed by the ambiguities and contradictions of a sometimes cold, mis-understanding, uncaring or unwilling-to-help society, creates the need for something different; new theories, old theories reinforced, new approaches, new treatment modalities.

A preacher friend of mine was fond of saying that the drug problem in this country is so overwhelming, so difficult to deal with, so pervasive . . . the mental health challenges require so much, the abused, neglected and abandoned problems require psychiatrists, counselors, psychologists, well developed pharmaceuticals and all of the social health, physical health and professional treatment that we can muster, but I also believe that we could use a little Balm of Gilead to have and hold. I do believe that we could use a little Balm of Gilead to help heal our sin, sick souls.

After reading much of the material and listening to the debate, I am convinced that the activities covered and being promoted by this legislation are too broad to leave under the exemption of section 702 of the 1964 Civil Rights Act which allows religious institutions to make employment decisions outside the protection of section 703 dealing with race, color, religion, or national origin; and then in 1972, the Equal Employment Opportunities Act of 1974, which broadened the scope of section 702 and permitted religious institutions to make religion-based employment decisions in all their activities, rather than just religious ones.

While the Republican bill correctly addresses race, color, and national origin, it is regretfully silent on the question of sexual orientation; thereby leaving a loophole which I find totally unacceptable.

Mr. Speaker, I am told that the cost of drug abuse to society is estimated at $16 billion annually, in less time than it takes to debate this bill, another 14 infants will be born into poverty in America, another 10 will be born without health insurance, and one more child will be neglected or abused. In fact, the number of persons in our country below the poverty level in 1999 was 32.3 million.

This legislation recognizes the fact that we must commandeer and enlist every weapon in our arsenal to fight the war against poverty, crime, mental illness, drug use, and abuse as well as all the individuals that are associated with these debilitating conditions.

The Democratic substitute for H.R. 7, the Community Solutions Act of 2001, can lend a helping hand.
Mr. Speaker, I rest my case and yield back the balance of my time.

Mr. COTTER. Mr. Speaker, when I was first elected to this body, if someone had told me that in the first year of the 21st century, the U.S. Congress would be on the verge of passing a bill making it lawful to discriminate with taxpayer funds, I wouldn’t have believed them. I would have told them that too many had fought too long for us to backtrack in the battle against bigotry. Yet that is exactly what this bill does, and that is exactly what we are trying to undo with this Democratic substitute.

I am astonished the Bush Administration would fight so strenuously to extend the right to discriminate in employment on account of religion. If Government funds truly will not be used in a non-sectarian manner—as the Administration claims—why in the world would we want to permit discrimination on the basis of religion? I’ve been asking this question for the last month, and we have yet to receive any semblance of an adequate response.

Every Member in this body knows that cooking soup for the poor can be done equally well by persons of all religious beliefs. But the Administration has bent over so far backwards to make sure we do not discriminate against religious organizations, that somehow they forgot about protecting the actual people—the citizens—against discrimination.

This bill is so extreme it sanctions employment discrimination based on so-called “tenets and teachings.” This means a religious organization could use taxpayer funds to discriminate against gays and lesbians, against divorced persons, against unmarried pregnant women, against women who have had an abortion, and against persons involved in an interfaith marriage.

If you can believe it, the bill gets even worse. The legislation not only sets aside federal civil rights laws, it goes as far as to eliminate state and local civil rights laws. That means if the voters of a state or city had decided on public policy the discrimination in federal programs utilizing taxpayer funds should not be permitted to discriminate, that law would be set aside under H.R. 7. This turns the principle of federalism completely on its head.

We shouldn’t be surprised that the civil rights community is so strongly opposed to the bill. Just last week, Julian Bond, the Chairman of the NAACP, declared H.R. 7 will “erase sixty years of civil rights protections.” The NAACP Legal Defense Fund has written that charitable choice is “wholly inconsistent with longstanding principle that federal monies should not be used to discriminate in any form.” The Leadership Conference on Civil Rights has stated in no uncertain terms that charitable choice will “erode the fundamental principle of non-discrimination.”

If our President really wanted to bring us together, he wouldn’t push this legislation which so strongly divides this body and our nation. He would work with us on a true bipartisan basis to expand the role of religion in a manner that protects civil rights. We can begin this effort by voting yes on the Democratic substitute.

Mrs. MEEK of Florida. Mr. Speaker, I rise in opposition to H.R. 7, the so-called “Community Solutions Act”, and in support of the Rangel-Conyers substitute. I recognize and commend our country’s religious organizations for the critical role that they play in meeting America’s social welfare needs. We need to support their efforts, not allow them to do even more, but not at the expense of our civil rights laws or our Constitution.

I cannot support legislation that would allow religious organizations to discriminate in employment on account of religion, that preempts state and local laws against discrimination, or that breaks down the historic separation between Church and State. Nor can I support the massive expansion of the use of vouchers contained in H.R. 7, an expansion that would allow the Administration to convert $47 billion in social service programs into vouchers and allow the recipients of such vouchers to discriminate against beneficiaries of such programs on account of their religion.

We should never support such a subterfuge that would allow religious organizations indirectly to do what the Religious Freedom Restoration Act could not do directly, that is, to use funds for sectarian instruction, worship, or proselytizing. We can never accept a return to the days where we see ads that read: No Catholics or no Jews need apply. We simply cannot allow it.

The Rangel-Conyers substitute is the right approach to involving faith-based organizations in federal programs. The substitute provides that religious organizations receiving federal funds for social programs could not discriminate in employment on the basis of an employee’s religion; prohibits any provision in the bill from superseding state or civil rights laws; prohibits religious organizations who provide federally funded programs from engaging in sectarian activities at the same time and place as the government funded program; and strikes the provision in the bill relating to governmental provision of indirect funds.

While many of the advocates of H.R. 7 are very well-intended, this legislation is a good example of the devil dressed as an angel of light. H.R. 7 includes provisions that sharply attack one of the oldest civil rights principles—that the federal government not fund discrimination by others. The bill would allow religious groups that receive federal funds to discriminate in their hiring practices—not just for workers that they hire to help carry out religious activities funded by private contributions, but for workers hired to perform secular work with government funding.

We’re not talking here about a provision to insure that a church does not have to hire a Jewish person to be a priest or a Catholic to be a rabbi. We’re talking about a provision that would allow an organization not to hire a janitor because of that person’s religious beliefs. This is an outrage!

For decades, there has been an effective relationship between government and religiously affiliated institutions for the provision of community-based social services. These organizations, such as Catholic Charities, Lutheran Services, United Jewish Communities and numerous others, separate religious activities from their social services offerings, follow all civil rights laws, follow all state and local rules and statutes, and do not discriminate in staffing. There is no reason to remove these effective safeguards.

Mr. Speaker, let’s keep our eye on the ball and focus on the real problem. What we really need is legislation to authorize additional dollars for social service programs and then fund these programs properly, not the Bush Administration’s cuts in juvenile delinquency programs, in job training, in public housing, in child care, and in Temporary Assistance to Needy Families (TANF).

Mr. Speaker, we can and must do better than H.R. 7. Let’s preserve our historic commitment not to allow religious organizations to discriminate in employment on the basis of religion and preserve our Constitution’s religious protections. Support the Rangel-Conyers substitute. I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LAHood). Pursuant to House Resolution 196, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. RANGEL).

The vote was taken by electronic device, and there were—yeas 168, nays 261, not voting 4, as follows:

YEAS—168

Abercrombie  Eshoo
Ackerman  Evans
Allen  Farr
Andrews  Fattah
Baca  Filner
Baird  Ford
Baladaccio  Frank
Balduin  Frost
Barcara  Gepphardt
Barrett  Gonzalez
Becerra  Gordon
Berkeley  Green (TX)
Berman  Gutierrez
Bishop  Harman
Blarchegrtich  Hastings (FL)
Blumenauer  Hill
Bonior  Hilliard
Boucher  Holt
Boyd  Hurd
Brady (PA)  Holsley
Brown (FL)  Hoefer
Brown (OH)  Inezole
Caps  Jackson (IL)
Capuano  Jackson-Lee
Cardin  Jackson (TN)
Carson (IN)  Jefferson
Carson (OK)  Johnson, R. B.
Clay  Jones (OH)
Clayton  Kanjorski
Clyburn  Kaptur
Cobbitt  Kennedy (FL)
Conyers  Kilde
Cossey  Kilpatrick
Craswell  Kliens
Cummings  Kucinich
Davis (FL)  Labac
Davis (IL)  LaFaucie
DeFazio  Lampson
Delahunt  Langerin
Dentro  Larsen
Deutch  Larsen (WA)
Dinges  Larson (CT)
Dingell  Lee
Dooley  Levin
Dorf  Lewis (GA)
Edwards  Lowey
Eshoo  Luther
Sherman
CONGRESSIONAL RECORD—HOUSE

July 19, 2001

Slaughter
Smith (WA)
Solis
Spratt
Stark
Stupak
Tanner
Thompson (MS)

Thurman
Turney
Waxman
Weiner
Welzer
Woolsey
Wu
Wyden
Wynn

NAYS—261

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Benten
Berenger
Berry
Bratton
Bilirakis
Blunt
Boehnner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burton
Burr
Butler
Byrner
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chabrians
Clement
Cole
Collins
Combest
Cooley
Costello
Cox
Cramer
Cubin
Culberson

Cunningham
Cubin
Culberson
Culusky
Thompson (CA)

Doolittle
Breier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Forbes
Forssell
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillum
Gillum
Goode
Goodlatte
Goss
Graham
Granger

Thorburn
Turney
Town
Udall (CO)
Udall (NM)
Velasquez
Visclosky
Watson (CA)

Granger
Graham
Goodlatte
Goode
Gilman
Goode
Goolsby
Gosnell
Gosse
Graham
Granger

Watt (NC)
Wexler
Walsh
Waxman
Weiner
Weiner
Welzer
Woolsey
Wu
Wyden

Wilson
Young (AK)
Young (FL)

Wicker
McKinney
Spence

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NOT VOTING—4

Ms. GRANGER, Mrs. NORTHUP, Mrs. KELLY, Mr. BARTLETT of Maryland, Mr. HERGER and Mr. OBERSTAR changed their vote from "yea" to "nay."

Ms. RIVERS and Mr. HOLDEN changed their vote from "nay" to "yea."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The motion to recommit.

The SPEAKER pro tempore. The clerk will report the motion to recommit.

The Clerk reads as follows:

Mr. CONYERS moves to recommit the bill H.R. 7 to the Committee on the Judiciary with instructions to report the same back to the House forthwith with the following amendments:

In title II, in the matter proposed to be inserted in the Revised Statutes of the United States as a section 1981, insert:

(1) in subsection (e), strike the period after "effect" and insert "and " than that no religious organization receiving funds through a grant or cooperative agreement for programs described in subsection (c)(4) shall, in expanding such funds allocated under such program, discriminate in employment on the basis of an employee’s religion, religious belief, or a refusal to hold a religious belief,"; and

(2) insert after subsection (h) the following:

"(1) LOCAL CIVIL RIGHTS LAWS.—Notwithstanding anything to the contrary herein, nothing in this section shall preempt or supersede State or local civil rights laws."

Redesignate succeeding subsections accordingly.

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

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

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Michigan, Mr. CONYERS, for 5 minutes in support of his motion.

Mr. CONYERS. Mr. Speaker, I say to my colleagues, we have had a very instructive discourse here today and quite revealing, I believe. As a result, this motion to recommit would simply safeguard the Federal, State and local civil rights laws as they presently exist.

Mr. Speaker, bigotry and discrimination have been, unfortunately, our Nation’s greatest curse for more than 210 years, and we should never, ever knowingly adopt legislation which would in any way worsen the problem, as the measure before us clearly does. So to my friends on the Republican side who urge that we might have created a more narrow motion, I say to them just this: It is just as wrong for the bill to set aside State and local civil rights laws as it is for the bill to set aside Federal civil rights laws.

We need to fix both problems, and we need to fix them now and not in conference or some day later. So let us all of us stop trying to divide our Nation by religion, by race, by ethnicity, by sexual orientation. Let us pass a motion that I think most of us can agree on so we can increase the role of religion without trampling on our precious civil rights.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. NADLER), the ranking member of the subcommittee.

Mr. NADLER. Mr. Speaker, there has been a lot of confusion on this point, but the basic question on the facts are simple: Under current law, a church may discriminate on religious or other grounds using its own funds. Under this bill, a church can discriminate on religious grounds, on other grounds, on sexual grounds using its own funds and using government taxpayer funds. And if there are any local or State civil rights laws that say it cannot, this bill says, never mind, we supersede the State or local civil rights laws.

This motion to recommit is very simple. It says that with government funds, which faith-based groups may not discriminate and one may not contravene Federal, State or local civil rights laws with government funds. With church funds, the law would be unchanged. One can still do that, but one cannot discriminate, one cannot say no blacks, no women, no Jews, no American citizens, with government taxpayer funds, period.

I hope everybody will vote for, one would assume, this elementary, anti-discrimination civil rights recommit motion.

Mr. CONYERS. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, no American citizen should ever have to pass someone else’s religious test to qualify for a federally funded job. No American, not one, should ever have to be fired from a federally funded job solely because of his or her religious faith. It is ironic that a bill that was
Mr. Speaker, unless this motion to recommit is passed, a group associated with Bob Jones University could receive our Federal tax dollars and put out a sign that says, ‘‘No Catholics must apply here for a federally funded job.’’ That is wrong.

Say no to discrimination and yes to this motion to recommit.

Mr. CONYERS. Mr. Speaker, I yield the remainder of the time to the gentleman from Virginia (Mr. SCOTT), a member of the Committee on the Judiciary.

Mr. SCOTT. Mr. Speaker, as we listen to all of the programs that could be funded under this bill, remember that anything we recommit is more than a new bill can be funded today if the sponsor will abide by the civil rights laws. On June 25, 1941, President Roosevelt signed an Executive Order number 8802 which prohibited defense contractors from discriminating in employment based on race, color, creed or national origin. Civil rights laws of the 1960s put those protections into law. The vote was not unanimous, but the bills passed.

Since then, few have questioned whether or not sponsors of Federal programs could consider a person’s religious beliefs or religious practices when they were hiring someone for a job paid for with Federal money. But here we are considering a bill with no new money, a bill which provides eligibility for funding only to those programs who are eligible for funding now, if one would comply with civil rights laws. That is not a barrier to funding.

Mr. Speaker, we do not need new ways to discriminate. Let us maintain our civil rights by passing the motion to recommit.

Mr. SENSENIBRENNER. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. SENSENIBRENNER) for 5 minutes.

Mr. SENSENIBRENNER. Mr. Speaker, make no mistake about it. This motion to recommit is more than a new preemption clause. It denies religious organizations, including churches, their current exemption from Title VII when they seek to take part in Federal programs to help others. It is not the motion to recommit we have been reading about. It is the motion to recommit we have been hearing about, plus an atomic bomb for faith-based organizations.

I repeat. This motion to recommit contains more than a preemption clause. It trumps the considered judgment of the Congress that passed the Civil Rights Act of 1964 and which soundly decided, along with the Supreme Court, that churches must be allowed to hire members of their own faith in order to remain churches under Federal law. I urge my colleagues to remember that when they vote.

Even Al Gore, during his campaign and in his speech to the Salvation Army, said that ‘‘faith-based organizations can provide jobs and job training, need and mentoring, food and basic medical care. They can do so with public funds and without having to alter their religious character that is so often the key to their effectiveness.’’

Again, the only way a church can retain its religious character is if it can staff itself with those who share the same faith.

In addition, the small churches of America will often be providing the social services covered by H.R. 7 with the same staff they currently have, and that staff likely shares the same religious faith. The substitute would make it impossible for these small churches to contribute to Federal efforts against social ills in America. How can we consider the possibility of allowing faith-based groups to compete for federal funding to eradicate social ills, we should be careful to recognize our limited powers in this area.

Mr. Speaker, James Madison, the father of the First Amendment, clearly understood the potential harms involved with the commingling of church and state when he stated that he ‘‘apprehended the meaning of the [Establishment Clause] to be, that Congress should not establish a religion, and enforce the legal observation of it by law, nor compel men to worship God in any manner contrary to their conscience.’’ 1 Annals of Cong. 758 (Gales & Seaton’s ed. 1834) (Aug 15, 1789).

Mr. Speaker, Madison was concerned that without the Establishment Clause, the Necessary and Proper Clause of the Constitution might enable the Congress to ‘‘make laws of such a nature as might infringe the rights of conscience, and establish a national religion; to prevent these he assumed the amendment was intended . . .’’ because he ‘‘believed that the people feared one sect might obtain pre-eminence, or two combine together, and establish a religion to which they would compel others to perform.’’ Id.

We are therefore left with an irony of historical proportions today as we discuss H.R. 7, the Community Solutions Act of 2001. For as we begin our discussion of H.R. 7, I note that the Leadership has sponsored legislation contrary to both the intention of the First Amendment and its development in Supreme Court precedent.

Mr. Speaker, the United States has gained a full understanding of the First Amendment, and particularly its prohibitions on congressional activity toward religion and religious institutions, through the development of precedent in case law. Over the years the courts have struck a delicate balance between the First Amendment tendency to protect the Establishment Clause and the Free Exercise Clause.

Likewise, Mr. Speaker, this body has been diligent in its observance of the First Amendment’s constitutional prohibitions on religion.
With few exceptions, this body has diligently followed the directive established for the Court by Chief Justice Burger in Walz v. Tax Commission of City of New York, 397 U.S. 664 (1970):

The general principle deductible from the First Amendment and all that has been said by the Court is this: that we will not tolerate either governmental establishment of religion or governmental interference with religion. Short of those expressly proscribed governmental acts there is room for play in the joint responsibilities of these benevolent neutrality which will permit religious exercise to exist without sponsorship or interference.

Mr. Speaker, it is this spirit that animates my concerns about H.R. 7, and thus compels me to speak against its passage in this form. My concerns about H.R. 7, and thus compels me to speak against its passage in this form.

This bill will allow religious groups to discriminate. Even more, it will chill the fight for civil rights for all Americans on both the state and local level, where great gains have been made in ensuring quality for all. I cannot stand the irony that the religious institutions of America, which were so influential in the civil rights movement, will be allowed to erode the equal protection laws the citizens of this nation fought and died for.

Mr. Speaker, the Democratic substitute to this legislation avoids these pitfalls. The substitute legislation specifies that the civil rights exemption is not extended to allow groups receiving funds to discriminate in employment with taxpayer funds. It also provides that state and local civil rights laws are not superceded by the act.

The substitute bill also provides an offset to the tax code’s top rate to balance the charitable contribution increase. The rate raises the top tax rate by 0.2%. Under this proposal, no proselytization can occur at the same time and place as a government funded program. The substitute also deletes the private voucher provisions that would provide agencies with $47 billion in discretionary funds, and deletes changes in tort law. The substitute legislation specifies that the civil rights exemption is not extended to allow groups receiving funds to discriminate in employment with taxpayer funds.

This is not the case with the organizations that will benefit from this bill. Legislation that will benefit from this bill. This legislation relieves religion as a “symbolic union government and religion in one sectarian enterprise.” Grand Rapids School District v. Ball, 473 U.S. 397 (1985). The mechanisms of this bill place the imprimatur of the Congress on impermissibly mingling church and state. This is the wrong message to send to the citizens of this country, who have entrusted us with the care of the document that sustains our democracy, the Constitution.

Also, by allowing federal agencies to convert funds into vouchers for religious organizations, the bill would unilaterally convert over $47 billion in social service programs that could be used for other purposes to proselytization. Court cases such as Roemer v. Maryland Public Works, 426 U.S. 736 (1976), permitted subsidies to private colleges with sectarian affiliations only because they were not pervasively sectarian.

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So the motion to recommit was laid on the table.

A motion to reconsider was laid on the table.

**GENERAL LEAVE**

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of H.R. 7, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? There was no objection.

**PERSONAL EXPLANATION**

Mr. TIERNEY. Mr. Speaker, last evening, on rollcall vote No. 248, I want it to be in the Record that I was here and I did vote in favor of that bill. Unfortunately, there was a malfunction with the voting apparatus, apparently, and it did not record my vote.

**CONFERENCE REPORT ON H.R. 2216, 2001 SUPPLEMENTAL APPROPRIATIONS ACT**

Mr. Young of Florida (during consideration of H.J. Res. 50) submitted the following conference report and statement of the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes:

**CONFERENCE REPORT (H. REP. 107-148)**

The committee conference on the disagreement votes of the two Houses on the amendment of the Senate to the bill (H.R. 2216) “making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes” having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

The House that recede from its disagreement to the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted, there is inserted:

[Signed and sealed June 21, 2001]
TITLE I—NATIONAL SECURITY MATTERS

CHAPTER 1
DEPARTMENT OF JUSTICE
RADIATION EXPOSURE COMPENSATION
PAYMENT TO RADIATION EXPOSURE COMPENSATION TRUST FUND
For payment to the Radiation Exposure Compensation Trust Fund for approved claims, for fiscal year 2002, such sums as may be necessary.

CHAPTER 2
DEPARTMENT OF DEFENSE—MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY
For an additional amount for “Military Personnel, Army”, $164,000,000.

MILITARY PERSONNEL, NAVY
For an additional amount for “Military Personnel, Navy”, $84,000,000.

MILITARY PERSONNEL, MARINE CORPS
For an additional amount for “Military Personnel, Marine Corps”, $69,000,000.

MILITARY PERSONNEL, AIR FORCE
For an additional amount for “Military Personnel, Air Force”, $45,000,000.

RESERVE PERSONNEL, ARMY
For an additional amount for “Reserve Personnel, Army”, $52,000,000.

RESERVE PERSONNEL, AIR FORCE
For an additional amount for “Reserve Personnel, Air Force”, $8,500,000.

NATIONAL GUARD PERSONNEL, ARMY
For an additional amount for “National Guard Personnel, Army”, $6,000,000.

NATIONAL GUARD PERSONNEL, AIR FORCE
For an additional amount for “National Guard Personnel, Air Force”, $12,000,000.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY
For an additional amount for “Operation and Maintenance, Army”, $792,400,000, of which $214,000,000 shall be made available only for the repair and maintenance of real property.

For an additional amount for “Operation and Maintenance, Navy”, $1,024,100,000, to remain available for obligation until September 30, 2002.

For an additional amount for “Operation and Maintenance, Marine Corps”, $62,000,000.

OPERATION AND MAINTENANCE, AIR FORCE
For an additional amount for “Operation and Maintenance, Air Force”, $313,800,000.

OPERATION AND MAINTENANCE, DEFENSE-WIDE
For an additional amount for “Operation and Maintenance, Defense-Wide”, $123,250,000: Provided, That of the funds made available under this heading, $6,000,000 shall remain available for obligation until September 30, 2002.

OPERATION AND MAINTENANCE, ARMY RESERVE
For an additional amount for “Operation and Maintenance, Army Reserve”, $20,500,000.

OPERATION AND MAINTENANCE, NAVY RESERVE
For an additional amount for “Operation and Maintenance, Navy Reserve”, $12,000,000.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE
For an additional amount for “Operation and Maintenance, Marine Corps Reserve”, $7,900,000.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE
For an additional amount for “Operation and Maintenance, Air Force Reserve”, $34,000,000.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD
For an additional amount for “Operation and Maintenance, Army National Guard”, $42,900,000.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD
For an additional amount for “Operation and Maintenance, Air National Guard”, $119,300,000.

PROCUREMENT

OTHER PROCUREMENT, ARMY
For an additional amount for “Other Procurement, Army”, $7,000,000, to remain available for obligation until September 30, 2003.

SHIPBUILDING AND CONVERSION, NAVY
(INCLUDING TRANSFER OF FUNDS)
For an additional amount for “Shipbuilding and Conversion, Navy”, $297,000,000: Provided, That upon enactment of this Act, the Secretary of the Navy shall transfer such funds to the following appropriations in the amount specified: Provided further, That the amounts transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriations to which transferred: To: Under the heading, “Shipbuilding and Conversion, Navy, 1995-2001”: Carrier Replacement Program, $84,000,000; DDG-51 Destroyer Program, $300,000; Under the heading, “Shipbuilding and Conversion, Navy, 1996-2001”: DDG-51 Destroyer Program, $14,600,000; LPD-17 Amphibious Transport Dock Ship Program, $400,000,000; Under the heading, “Shipbuilding and Conversion, Navy, 1997-2001”: DDG-51 Destroyer Program, $12,600,000; and Under the heading, “Shipbuilding and Conversion, Navy, 1998-2001”: NSSN Program, $32,000,000; DDG-51 Destroyer Program, $13,500,000.

AIRCRAFT PROCUREMENT, AIR FORCE
For an additional amount for “Aircraft Procurement, Air Force”, $78,000,000, to remain available for obligation until September 30, 2003.

MISSILE PROCUREMENT, AIR FORCE
For an additional amount for “Missile Procurement, Air Force”, $15,500,000, to remain available for obligation until September 30, 2003.

PROCUREMENT OF AMMUNITION, AIR FORCE
For an additional amount for “Procurement of Ammunition, Air Force”, $31,200,000, to remain available for obligation until September 30, 2003.

OTHER PROCUREMENT, ARMY
For an additional amount for “Other Procurement, Army”, $138,150,000, to remain available for obligation until September 30, 2003.

PROCUREMENT, DEFENSE-WIDE
For an additional amount for “Procurement, Defense-Wide”, $5,000,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMED SERVICES
For an additional amount for “Research, Development, Test and Evaluation, Navy”, $128,000,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY
For an additional amount for “Research, Development, Test and Evaluation, Army”, $5,000,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY
For an additional amount for “Research, Development, Test and Evaluation, Navy”, $128,000,000, to remain available for obligation until September 30, 2002.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE
For an additional amount for “Research, Development, Test and Evaluation, Defense-Wide”, $84,100,000, to remain available for obligation until September 30, 2002.

REVOLVING AND MANAGEMENT FUNDS
DEFENSE WORKING CAPITAL FUNDS
For an additional amount for “Defense Working Capital Funds”, $178,400,000, to remain available until expended.

DEFENSE HEALTH PROGRAM
For an additional amount for “Defense Health Program”, $11,452,000,000 for Operation and maintenance, of which $500,000,000 shall remain available until September 30, 2002.

For an additional amount for “Defense Health Program”, $150,000,000 for Operation and maintenance, to remain available until expended, only for the use of the Surgeons General to improve the quality of care provided at military medical treatment facilities, of which $30,000,000 shall be made available only to optimize health care services at Army military medical treatment facilities, $20,000,000 shall be made available only to optimize health care services at Navy military medical treatment facilities, $30,000,000 shall be made available only to finance advances in medical practices to be equally divided between the services, and $30,000,000 shall be made available for other requirements of the direct care system and military medical treatment facilities: Provided, That the funds provided in this paragraph are to be administered solely by the Army, Navy and Air Force Surgeons General: Provided further, That funds made available in this paragraph may be used to cover increases in costs associated with the provision of health care services eligible beneficiaries of all the uniformed services.

For an additional amount for “Defense Health Program”, $458,000,000, to remain available until expended, only for the support of the National Guard and Reserve personnel, except that none of the funds made available in this paragraph shall be made available for travel of military personnel in support of training exercises.

DEFENSE WORKING CAPITAL FUND
For an additional amount for “Defense Working Capital Fund”, $178,400,000, to remain available until expended.

OTHER DEPARTMENT OF DEFENSE FUNDS
For an additional amount for “Other Defense Funds”, $123,250,000, to remain available until expended.
SEC. 1201. Fuel transferred by the Defense Energy Service Office of the Department of Defense for use at Midway Island during fiscal year 2000 shall be deemed for all purposes to have been transferred on a nonreimbursable basis.

SEC. 1202. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 1203. In addition to the amount appropriated in section 308 of Division A, Miscellaneous Appropriations Act, 2001, as enacted by section 1(a)(4) of Public Law 106–554 (114 Stat. 2763A–182 and 182), $44,000,000 is hereby appropriated for “Operation and Maintenance, Navy”, to remain available until expended: Provided, That such amount, and the amount previously appropriated in section 308, shall be for costs associated with the stabilization, return, refitting, necessary force protection upgrades, and repair of the U.S.S. COLE, including any costs paid, prior to the date of enactment of this Act, under the Federal Tort Claims Act, for medical care provided, in the event of death or disability, to persons who were passengers or crew members of the U.S.S. COLE, who were injured in the attack on the U.S.S. COLE on October 12, 2000; and Provided further, That the Secretary of Defense may transfer such funds to appropriations accounts for procurement: Provided further, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period as the appropriations to which transferred: Provided further, That the transferred funds may be obligated or expended to meet military operational, logistics and personnel support requirements for missile defense.

SEC. 1204. Of the funds appropriated in the Department of Defense Appropriations Act, 2001, Public Law 106–168, in Title IV under the heading, “Research, Development, Test and Evaluation, Navy”, $2,000,000 may be made available for a Maritime Fire Training Center at the Marine and Environmental Research and Training Station (MERTS), and $2,000,000 may be made available for a Maritime Fire Training Center at Barbers Point, including provision for laboratories, construction, and other efforts associated with research, development, and other programs of major importance to the Department of Defense.

SEC. 1205. Of the amounts appropriated in this Act under the heading “Operation and Maintenance, Navy”, $8,000,000 shall be available for the purpose of repairing storm damage at Fort Sill, Oklahoma, and Red River Army Depot, Texas.

SEC. 1211. None of the funds available to the Department of Defense for fiscal year 2001 may be obligated for retiring or dismantling any of the 93 B-1B Lancer bombers in service as of June 1, 2001, or for transferring or reassigning any of those aircraft from the unit, or the facility, to which assigned as of that date.

CHAPTER 3
DEPARTMENT OF ENERGY
ATOMIC ENERGY DEFENSE ACTIVITIES
NATIONAL NUCLEAR SECURITY ADMINISTRATION
WEAPONS ACTIVITIES

For an additional amount for “Weapons Activities”, $126,625,000, to remain available until expended: Provided, That such additional amounts may be used only for the purposes of meeting unanticipated price increases and related costs or to control or offset any price increases and related costs incurred for future purposes.

SEC. 1401. (a) CADET PHYSICAL DEVELOPMENT CENTER.—Notwithstanding section 138 of the Military Construction Appropriations Act, 2001 (division A of Public Law 106–246; 114 Stat. 532), the Secretary of the Army may expend appropriated funds in excess of the amount specified by such section to construct and renovate the Cadet Physical Development Center at the United States Military Academy, except that—

(1) such additional expenditures may be used only for the purposes of meeting unanticipated price increases and related costs or to control or offset any price increases and related costs incurred for future purposes.

SEC. 1501. Family Housing, Army.

For an additional amount for “Family Housing, Army”, $30,400,000 for operation and maintenance.

SEC. 1601. (a) CADET PHYSICAL DEVELOPMENT CENTER.—Notwithstanding section 138 of the Military Construction Appropriations Act, 2001 (division A of Public Law 106–246; 114 Stat. 532), the Secretary of the Army may expend appropriated funds in excess of the amount specified by such section to construct and renovate the Cadet Physical Development Center at the United States Military Academy, except that—

(1) such additional expenditures may be used only for the purposes of meeting unanticipated price increases and related costs or to control or offset any price increases and related costs incurred for future purposes.

SEC. 1701. For an additional amount for “Other Defense Activities”, $5,000,000, to remain available until expended.
Army submits a report to the congressional defense committee on the revised cost estimates referred to in subsection (a), the methodology used in making these cost estimates, and the changes in project costs compared to estimated costs made in October, 2000. Not later than August 1, 2001, the Secretary of the Army shall submit a report to the congressional defense committees explaining the plan of the Department of the Army to expend privately donated funds for capital improvements at the United States Military Academy between fiscal years 2001 and 2011.

SEC. 1402. Except as otherwise specifically provided in this Chapter, amounts provided to the Department of Defense under each of the headings in this Chapter shall be made available for the same time period as the amounts appropriated under each such heading in Public Law 106–246.

(RESCISIONS)

SEC. 1403. Of the funds provided in the Military Construction Appropriations Act, 2001 (Public Law 106–246), the following amounts hereby rescinded as of the date of the enactment of this Act:

- $2,856,000, for the Army.
- $6,213,000, for the Navy.
- $4,935,000, for the Air Force.

SEC. 1404. Notwithstanding any other provision of law, the amount authorized, and authorized to be appropriated, for the Defense Agencies for the TRICARE Management Agency for a military construction project for Bassett Army Hospital at Fort Wainwright, Alaska, shall be $215,000,000.

SEC. 1405. DESIGNATION OF ENGINEERING AND MANAGEMENT BUILDING AT NORFOLK NAVAL SHIPYARD, VIRGINIA, AFTER NORMAN SISISKY.

The engineering and management building (also known as Building 1560) at Norfolk Naval Shipyard, Portsmouth, Virginia, shall be known as the Norman Sisisky Engineering and Management Building.

TITILE II—OTHER SUPPLEMENTAL APPROPRIATIONS

CHAPTER I

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

For an additional amount for “Office of the Secretary”, $3,000,000, to remain available until September 30, 2002. Provided, That of these funds, $1,000,000 shall be used for enforcement of the Animal Welfare Act: Provided further, That of these funds, no less than $1,000,000 shall be used to enhance humane slaughtering practices under the Federal Meat Inspection Act: Provided further, That no more than $500,000 of these funds be used to make available to the Under Secretary for Research, Education and Economics for development and demonstration of technologies to promote humane treatment of animals: Provided further, That these funds may be transferred to and merged with appropriations for agencies performing this work.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

For an additional amount for “Salaries and Expenses”, $5,000,000.

FARM SERVICE AGENCY

AGRICULTURAL CONSERVATION PROGRAM

(Rescission)

Of the funds made available for “Agricultural Conservation Program” under Public Law 104–37, $45,000,000 are rescinded.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount for “Watershed and Flood Prevention Operations”, to repair damages to waterways and watersheds resulting from natural disasters, $35,500,000, to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2101. Title I of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387; 114 Stat. 1549A–10) is amended by striking “until expended”’ under the heading “Buildings and Facilities” under the heading “Animal and Plant Health Inspection Service” and adding the following: “until expended: Provided, That notwithstanding any other provision of law (including section 63 of title 31, U.S.C.), $4,670,000 of the amount set forth in the Secretary and once transferred, shall be state funds for the construction, renovation, equipment, and other related costs for a post entry plant quarantine laboratory as described in Senate Report 106–288”.

SEC. 2102. The paragraph under the heading “Rural Community Advancement Program” in title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387; 114 Stat. 1549, 1549A–17) is amended—

(1) in the third proviso, by striking “ability of” and inserting “ability of low income rural communities” and;

(2) in the fourth proviso, by striking “assistance to” the first place it appears and inserting “assistance and”.

SEC. 2103. (a) Not later than August 1, 2001, the Federal Crop Insurance Corporation shall promulgate final regulations to carry out section 522(b) of the Federal Crop Insurance Act (7 U.S.C. 522b), without regard to:

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of the Policy of the Secretary of Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–387; 114 Stat. 1549, 1580A–17), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”).

(b) In carrying out this section, the Corporation shall use the authority provided under section 808 of title 5, United States Code.

(3) the final regulations promulgated under subsection (a) shall take effect on the date of publication of the final regulations.

SEC. 2104. In addition to amounts otherwise available, $20,000,000, to remain available until expended, from amounts pursuant to 15 U.S.C. 731a–4 for the Secretary of Agriculture to make available to eligible producers to promote water conservation in the Klamath Basin, as determined by the Secretary: Provided, That the issuance of regulations promulgated pursuant to this section shall be made with the notice and comment provisions of section 553 of title 5, United States Code; (2) the Statement of the Policy of the Secretary of Agriculture, effective July 24, 1971 (36 Fed. Reg. 52977 et seq.) relating to notices of proposed rulemaking and public participation in rulemaking; and (3) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”): Provided further, That in carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 2105. Under the heading “Food Stamp Program” in the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted by Public Law 106–387), in the sixth proviso, strike “$194,000,000” and insert in lieu thereof “$191,000,000”.

SEC. 2106. Of funds which may be reserved by the Secretary for allocation to State agencies under section 16(h)(1) of the Food Stamp Act of 1977 to carry out the Employment and Training Program, $39,500,000 made available in prior years are rescinded and returned to the Treasury.

SEC. 2107. In addition to amounts otherwise available, $2,000,000, to remain available until expended, from amounts pursuant to 15 U.S.C. 731a–4 for the Secretary of Agriculture to make available financial assistance to eligible producers to promote water conservation in the Yakima Basin, Washington, as determined by the Secretary: Provided, That the issuance of regulations promulgated pursuant to this section shall be made with the notice and comment provisions of section 553 of title 5, United States Code; (2) the Statement of the Policy of the Secretary of Agriculture, effective July 24, 1971 (36 Fed. Reg. 52977 et seq.) relating to notices of proposed rulemaking and public participation in rulemaking; and (3) chapter 35 of title 44, United States Code (commonly known as the “Paperwork Reduction Act”): Provided further, That in carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. 2108. (a) In addition to the payment of any other eligible expenses, the Secretary of Agriculture shall have the authority to approve the use of Commodity Credit Corporation funds pursuant to 15 U.S.C. 731a–4 to make available up to $22,949,000 of financial assistance for internal transportation, storage, and handling expenses, and for any appropriate administrative expenses as determined by the Secretary, for co-operating sponsors with whom the Secretary has entered into agreements in fiscal year 2001 or 2002 under the Global Food for Education Initiative covered by the notice published by the Corporation in the Federal Register on September 6, 2000 (65 Fed. Reg. 53977 et seq.), for their activities under those agreements.

(b) The unobligated balance of the funds appropriated by section 745(e) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–387) is rescinded.

CHAPTER 2

DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

COASTAL AND OCEAN ACTIVITIES

(INCLUDING RESCISION)

Of the funds made available in Public Law 106–553 for the costs of construction of a research center at the ACE Basin National Estuarine Research Reserve, for use under this heading until expended, $8,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were made available in the above paragraph, $3,000,000, to remain available until expended for construction and $5,000,000, to remain available until expended for land acquisition.

DEPARTMENTAL MANAGEMENT

EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM

(Rescission)

Of the funds made available in the Emergency Oil and Gas Guaranteed Loan Program Act

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July 19, 2001

CONGRESSIONAL RECORD—HOUSE
CONGRESSIONAL RECORD—HOUSE

July 9, 2001

Small Business Administration
Salaries and Expenses

(INCLUDING RESCISSION)

Of the funds made available in Public Law 106–553 for the costs of technical assistance related to the New Markets Venture Capital Program for use under this heading in only fiscal year 2001, $30,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were rescinded in the preceding paragraph, $30,000,000, to remain available until expended.

Business Loans Program Account

(INCLUDING RESCISSION)

Of the funds made available in Public Law 106–553 for the costs of guaranteed loans under the New Markets Venture Capital Program for use under this heading in only fiscal year 2001, $22,000,000 are rescinded.

For an additional amount for the activities specified in Public Law 106–553 for which funds were rescinded in the preceding paragraph, $22,000,000, to remain available until expended.

General Provisions—This Chapter

Sec. 2201. Section 144(d) of Division B of Public Law 106–554 is amended—

(1) in paragraph (1) and paragraph (5)(B) by striking ``May 1, 2001'' and inserting in lieu thereof ''as soon as practicable'';

(2) in paragraph (2)(A) by striking ''for vessels'' and inserting in lieu thereof ''who hold such permits based on fishing histories'';

(3) in paragraph (2)(B)(i) by striking ''meets'' and inserting in lieu thereof ''is fishing under a permit'' that is issued based on fishing histories that meet'';

(4) in paragraph (2)(B)(i) by inserting ''provided that any interim Bering Sea crab fishery permit that is issued based on fishing histories that meet'';

(5) in paragraph (3) by striking ''May 1, 2001 date'' and inserting in lieu thereof ''the direction to issue regulations as soon as practicable'';

(6) in paragraph (3) by striking ''with that date''; and

(7) in paragraph (4) by striking ''has made'' and inserting in lieu thereof ''except as specifically provided in the regulations described in clause (i), include''.

Sec. 2202. (a) Section 12102(c) of title 46, United States Code, as amended by section 202(a) of the American Fisheries Act (46 U.S.C. 12102 note), is amended—

(1) in paragraph (2)(B) by striking ''or the use'' and all that follows in such paragraph and inserting in lieu thereof ''or the exercise of rights under loan or mortgage covenants by a mortgagee eligible to be a preferred mortgagee under section 31222(a) of this title, provided that a mortgagee not eligible to own a vessel with a fishery endorsement may only operate such a vessel to the extent necessary for the immediate safety of the vessel or for repairs, drydocking or berthing changes''; and

(2) by striking paragraph (4) and renumbering the remaining paragraphs accordingly.

(b) Section 31222 of title 46, United States Code, as amended by section 202(b) of the American Fisheries Act (Public Law 105–277, Division C, Title II) is amended by striking paragraph (4)(A)(iv) in such paragraph and inserting in lieu thereof the following:

``(A) a state or federally chartered financial institution that is insured by the Federal Deposit Insurance Corporation;''

``(C) a farm credit lender established under Title 12, Chapter 23 of the United States Code;''

``(D) a commercial fishing and agriculture bank established pursuant to State law;''

``(E) a commercial lender organized under the laws of the United States or of a State and eligible to own a vessel under section 12102(a) of this title;'' or

``(F) a mortgagee trustee under subsection (j) of this section;''

(c) Section 31222 of title 46, United States Code is amended by adding at the end the following new subsections:

``(j)(1) A mortgagee trustee may hold in trust, for an individual entity, an instrument or evidence of indebtedness, secured by a mortgage of the vessel to the mortgagee, provided that the mortgagee trustee

``(A) is eligible to be a preferred mortgagee under subsection (a)(4), subparagraphs (A)–(E) of this section;

``(B) is organized as a corporation, and is doing business, under the laws of the United States or of a State;

``(C) is authorized under those laws to exercise corporate trust powers;

``(D) is subject to supervision or examination by an official of the United States Government or of a State

``(E) has a combined capital and surplus (as stated in its most recent published report of condition) of at least $3,000,000; and

``(F) meets any other requirements prescribed by the Secretary.

``(2) If the beneficiary under the trust arrangement is a commercial lender, a lender syndicate or eligible to be a preferred mortgagee under subsection (a)(4), subparagraphs (A)–(E) of this section, the Secretary must determine that the arrangement, transfer, or trust arrangement does not result in an impermissible transfer of control of the vessel to a person not eligible to own a vessel with a fishery endorsement under section 12102(c) of title 46.

``(3) A vessel with a fishery endorsement may be operated by a mortgagee trustee only with the approval of the Secretary.

``(4) A right under a mortgage of a vessel with a fishery endorsement may be issued, assigned, or transferred to a person not eligible to be a mortgagee of that vessel under this section only with the approval of the Secretary.

``(5) The issuance, assignment, or transfer of an instrument or evidence of indebtedness contrary to this subsection is voidable by the Secretary.

``(g) For purposes of this section a 'commercial lender' means an entity primarily engaged in the business of making, originating, or purchasing or refinancing transactions with a loan portfolio in excess of $100,000,000, of which not more than 50 percent in total in dollar amount consists of loans to borrowers in the commercial fishing industry, as certified to the Secretary by such lender.

``(h) For purposes of this section a 'lender syndicate' means an arrangement established for the combined extension of credit of not less than $20,000,000 made up of four or more entities that each have a beneficial interest, held through an agent, under a trust arrangement established pursuant to subsection (f), no one of which may exercise powers thereunder without the concurrence of at least one other unaffiliated beneficiary.''.

Sec. 2204. Section 633 of Public Law 106–553 is amended by adding at the end the following:

``(b) The Secretary of the Treasury shall not later than May 1, 2001, establish a syndicate or eligible to be a preferred mortgagee under section 12102(c) of title 46, United States Code as amended in this section, and as amended by section 202(a) of the American Fisheries Act (15 U.S.C. 648(a)(4)(C)(v)(II), is amended by adding at the end the following:

``(C) striking ''such vessel'' the first time it appears and inserting their ownership or mortgage interest in such vessel on that date'' in lieu thereof;

``(2) Section 213(g) of the American Fisheries Act (Public Law 105–277, Division C, Title II) shall take effect on the date of enactment of this chapter; and

``(3) in subparagraph (E), by striking the period at the end and inserting '; and''; and

``(d) Section 21(a)(4)(C)(v)(II) of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) in subparagraph (D), by striking ''not later than May 1, 2001'' and inserting ''is fishing under a permit'';

(2) in subparagraph (E), by striking the period at the end and inserting ';' and''; and

(3) by adding at the end the following new subparagraph:

``(F) for paying to small business development center grants as mandated or directed by Congress.

Sec. 2205. (a) Section 209(a)(1) of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) in subparagraph (E), by striking the period at the end and inserting '; and''; and

(3) by adding at the end the following new subparagraph:

``(F) for paying to small business development center grants as mandated or directed by Congress.''

Chapter 3

District of Columbia Funds

Federal Funds

Federal Payment to the Chief Financial Officer of the District of Columbia

For a Federal contribution to the Chief Financial Officer of the District of Columbia for the Excel Institute Adult Education Program, $1,000,000, of which $250,000 shall be derived by transfer from the appropriation ''Federal Payment for Plan to Simplify Employee Compensation Systems'' in the District of Columbia Appropriations Act, 2001 (Public Law 106–522; 114 Stat. 2444).

District of Columbia Funds

Governmental Direction and Support

(INCLUDING RESCISSION)

For an additional amount for ''Governmental Direction and Support'', $5,400,000 from local funds for increases in this account.

Of the funds appropriated under this heading for the fiscal year ending September 30, 2001, in the District of Columbia Appropriations Act, 2001, approved November 22, 2000 (Public Law 106–522; 114 Stat. 2444), $250,000 to simplify employee compensation systems are rescinded.

Economic Development and Regulation

For an additional amount for ''Economic Development and Regulation'', $1,000,000 from local funds for the implementation of the New E-Commodity Transformation Act of 2000, (D.C. Act 13–543), and $624,820 for the Department of Employment Services, to be derived by transfer from the appropriation ''E-Commodity Transformation Act of 2000, pertaining to the Excel Institute Adult Education Program, $1,000,000, of which $250,000 shall be derived by transfer from the appropriation ''Federal Payment for Plan to Simplify Employee Compensation Systems'' in the District of Columbia Appropriations Act, 2001 (Public Law 106–522; 114 Stat. 2444), $250,000 to simplify employee compensation systems are rescinded.
CONGRESSIONAL RECORD—HOUSE

PUBLIC SAFETY AND JUSTICE

For an additional amount for "Public Safety and Justice", $8,901,000 from local funds to be allocated as follows: $2,800,000 is for the Metropolitan Police Department of which $800,000 is for the Fraternal Order of Police arbitration award and the Fair Labor Standards Act liability; $5,400,000 is for the Fire and Emergency Medical Services Department of which $5,240,000 is for pre-tax payments for pension, health and life insurance premiums and $400,000 is for the fifth fire fighter on trucks initiative; and $161,000 is for the Child Fatality Review Committee established pursuant to the Child Fatality Review Committee Establishment Emergency Act of 2001 (D.C. Act 14–49) and the Child Fatality Review Committee Establishment Temporary Amendment Act of 2001 (D.C. Act 14–165).


Of the funds appropriated under this heading in the District of Columbia Appropriations Act, 2001, approved November 22, 2000 (Public Law 106–522), $131,000 for Taxicab Inspectors are rescinded.

Public Education System

For an additional amount for "Public Education System", $1,000,000 from local funds for the State Education Office for a census-type audit of the student enrollment of each District of Columbia Public school and of each Public charter school and $12,000,000 from local funds for the District of Columbia Public Schools to conduct the 2001 summer school session.

In addition, section 198(b) of the District of Columbia Public Education Act, Public Law 89–791 as amended (sec. 31–1408, D.C. Code) is amended by adding a new sentence at the end of the subsection, which states: "In addition, any proceeds and interest accruing thereon, which remain from the sale of the former radio station WDCU in an escrow account of the District of Columbia, shall be used for the University of the District of Columbia’s Endowment Fund for the University." (C). In the Human Services section, the Human Services Appropriation Act of 2001, approved November 22, 2000, (Public Law 106–522), $131,000 for Taxicab Inspectors are rescinded.

Human Support Services

For an additional amount for "Human Support Services", $28,000,000 from local funds to be allocated as follows: $15,000,000 for expansion of the Medicaid program; $4,000,000 to increase the local share for Maternal and Child Health Services; $5,000,000 for the Disability Compensation Fund; $1,000,000 for the Office of Latino Affairs for Latino Community Education grants of up to $50,000,000 for the Children’s Investment Trust.

Public Works

For an additional amount for "Public Works", $313,000 from local funds for Taxicab Inspectors.

Financing and Other Uses

For expenses associated with the workforce investments program, $40,500,000 from local funds.

Wilson Building

For an additional amount for "Wilson Building", $7,100,000 from local funds.

Enterprise and Other Funds

Water and Sewer Authority and the Washington Aqueduct

For an additional amount for "Water and Sewer Authority and the Washington Aqueduct", $2,151,000 from local funds for the Water and Sewer Authority for the use of $2,781,000 from the Water and Sewer Authority Investments program, $40,500,000 from local funds.

Department of Energy

Non-Defense Environmental Management

For an additional amount for "Non-Defense Environmental Management", $11,950,000, to remain available until expended.

Uranium Facilities Maintenance and Remediation

For an additional amount for "Uranium Facilities Maintenance and Remediation", $30,000,000, to be derived from the Uranium Enrichment Decontamination and Decommissioning Fund, to remain available until expended.

Power Marketing Administrations

Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration

For an additional amount for "Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration", $1,100,000, to remain available until expended. Provided, That these funds shall be non-reimbursable.

Department of Defense—Civil

Department of the Army

Corps of Engineers—Civil

Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee

For an additional amount for "Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee", $8,901,000 from local funds to be allocated as follows: $2,800,000 is for the construction of new resistance levees. $8,000,000 is for expenses incurred in connection with flood disaster repairs, maintenance, and improvements on the Corps of Engineers portion of the Mississippi River from Vicksburg, Mississippi to the end of the authorized flood control system in the State of Iowa. $2,000,000 is for expenses necessary for emergency flood control, hurricane, and storm protection activities, as authorized by section 5 of the Flood Control Act of 1936, as amended, $50,000,000, to remain available until expended.

Chapter 4

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

Corps of Engineers—Civil

Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee

For an additional amount for "Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee", $8,901,000, to remain available until expended.

Chapter 5

BILATERAL ECONOMIC ASSISTANCE AGENCY FOR INTERNATIONAL SKILLS DEVELOPMENT

Child Survival and Disease Programs Fund (including rescission)

For an additional amount for "Child Survival and Disease Programs Fund", $100,000,000, to...
remain available until expended: Provided, That this amount may be made available, notwithstanding any other provision of law, for a United States contribution to a global trust fund to combat HIV/AIDS, malaria, and tuberculosis.

Of the funds made available under this heading in the Forest Operations, Export Financing, and Related Programs Appropriations Act, 2001, and prior Acts, $10,000,000 are rescinded.

**OTHER HILATERAL ASSISTANCE**

**ECOMIC SUPPORT FUND**

(RECISIO)

Of the funds made available under this heading in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001, and prior Acts, $10,000,000 are rescinded.

**GENERAL PROVISION—THIS CHAPTER**

SEC. 2501. The final proviso in section 526 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as enacted into law by section 1000(a)(2) of Public Law 106–113), as amended, is hereby repealed, and the funds identified by such proviso shall be made available pursuant to the authority of section 526 of Public Law 106–428.

**CHAPTER 6**

**DEPARTMENT OF THE INTERIOR**

**BUREAU OF LAND MANAGEMENT**

**MANAGEMENT OF LANDS AND RESOURCES**

For an additional amount for “Management of Lands and Resources”, $1,000,000,000, to remain available until expended, to address increased permitting responsibilities related to energy needs.

**UNITED STATES FISH AND WILDLIFE SERVICE**

**CONSTRUCTION**

For an additional amount for “Construction”, $17,700,000, to remain available until expended, to repair damages caused by floods, ice storms, and earthquakes in the States of Washington, Illinois, Iowa, Minnesota, Missouri, Wisconsin, New Mexico, Oklahoma, and Texas.

**NATIONAL PARK SERVICE**

**UNITED STATES PARK POLICE**

For an additional amount for the United States Park Police, $1,700,000, to remain available until September 30, 2002, for unbudgeted increases in pension costs for retired United States Park Police officers.

**BUREAU OF INDIAN AFFAIRS**

**OPERATION OF INDIAN PROGRAMS**

**(INCLUDING TRANSFERS OF FUNDS)**

For an additional amount for “Operation of Indian Programs”, $50,000,000, to remain available until expended, for electric power operations and related activities at the San Carlos Irrigation Project, of which such amounts as necessary may be transferred to other appropriations accounts for repayment of advances previously made for such power operations.

**RELATED AGENCY**

**DEPARTMENT OF AGRICULTURE**

**FOREST SERVICE**

**FOREST AND RANGELAND RESEARCH**

For an additional amount for “Forest and Rangeland Research”, $1,400,000, to remain available until expended, to carry out research and development activities to arrest, control, eradicate, and prevent the spread of sudden oak death syndrome.

**STATE AND PRIVATE FORESTRY**

For an additional amount for “State and Private Forestry”, $22,000,000, to remain available until expended, to repair damages caused by ice storms in the States of Arkansas, Oklahoma, and Texas and to prepare for the need to address increased pest suppression and prevention on Federal, State and private lands.

For an additional amount for “State and Private Forestry”, $2,000,000, to be provided to the Kenai Peninsula Borough Spruce Bark Beetle Task Force for emergency response and $1,750,000 to be provided to the Municipality of Anchorage for emergency fire fighting response and preparedness to respond to wildfires in spruce bark beetle infested forests, to remain available until expended: Provided, That such amounts shall be provided as direct lump sum payments within 30 days of enactment of this Act.

**NATIONAL FOREST SYSTEM**

For an additional amount for “Forest and Natural Forest System”, $12,000,000, to remain available until expended, to repair damages caused by ice storms in the States of Arkansas and Oklahoma and to address illegal cultivation of marijuana in California and Kentucky.

**CAPITAL IMPROVEMENT AND MAINTENANCE**

**(INCLUDING RECISSION)**

Of the funds appropriated in Title V of Public Law 105–392 (Division B, section 502(a) of that Act), the following amounts are rescinded: $1,000,000 for snow removal and pavement preservation and $4,000,000 for pavement rehabilitation.

For an additional amount for “Capital Improvement and Maintenance”, $5,000,000, to remain available until expended, for the purposes of section 506(a) of the Balanced Budget Act of 1997.

For an additional amount for “Capital Improvement and Maintenance” to repair damage caused by ice storms in the States of Arkansas and Oklahoma, $4,000,000, to remain available until expended.

**GENERAL PROVISIONS—THIS CHAPTER**

SEC. 2601. Of the funds appropriated to “Operation of the National Park System” in Public Law 106–554, $20,000,000, the amount identified by the proviso in section 502(c) of that Act, and $500,000 for a natural history study at Apostle Islands National Lake Shore, Wisconsin, shall remain available until expended.

SEC. 2602. (a) The unobligated balances as of September 30, 2001, of the funds transferred to the Secretary of the Interior pursuant to section 311 of chapter 3 of division A of the Miscellaneous Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for maintenance, protection, or preservation of the land and interests in land held by the United States, the United States Intermountain Missle National Historic Site Establishment Act of 1999 (Public Law 106–115), are rescinded.

(b) Subsection (a) shall be effective on September 30, 2001.

(c) The amount rescinded pursuant to subsection (a) is appropriated to the Secretary of the Interior for the purposes specified in such subsection, to remain available until expended.

SEC. 2603. Pursuant to title VI of the Steens Mountain Cooperative Management and Protection Act, Public Law 106–399, the Bureau of Land Management may transfer such sums as are necessary to complete the individual land exchanges identified under title VI from unobligated land acquisition balances.


SEC. 2605. Section 2 of Public Law 106–554 is amended by striking subsection (b) in its entirety and inserting in lieu thereof:

(b) The Secretary, in its discretion, may make amendments made by this section shall take effect on the date of enactment of this Act.”.

SEC. 2606. Federal Highway Administration emergency relief funds, as provided in the Federal Highway Administration emergency relief fund Act of 2000, made available to the Forest Service as Federal-aid highways funds, may be used to reimburse Forest Service accounts for expenditures pursuant to section 506(a) of the Balanced Budget Act of 1997, conditioned that such expenditures would otherwise have qualified for the use of Federal-aid highways funds.
and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking "$226,224,000" and inserting "$224,724,000".

The provision for Northeastern University is amended by striking "doctors", and inserting "allied health professionals.

NATIONAL INSTITUTES OF HEALTH
(INCLUDING TRANSFER OF FUNDS)

Of the amount appropriated in the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for the National Library of Medicine, $7,115,000 is hereby transferred to Buildings and Facilities, National Institutes of Health, for purposes of the design of a National Library of Medicine facility.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

For carries out the Public Health Service Act with respect to mental health services, $6,500,000 for maintenance, repair, preservation, and protection of the Federally owned facilities, including the Civil War Cemetery, at St. Elizabeth's Hospital, which shall remain available until expended.

ADMINISTRATION FOR CHILDREN AND FAMILIES

LOW INCOME HOME ENERGY ASSISTANCE

For an additional amount for "Low Income Home Energy Assistance" under section 2602(e) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 8621(e)), $300,000,000, to remain available until expended.

Provided, That these funds are for the home energy assistance needs of one or more States, as authorized by section 2604(e) of that Act and notwithstanding the designation requirement of section 2604(e) of such Act.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to Technology Innovation Challenge Grants under the heading "Education Reform", the amount specified for Western Kentucky University to establish a teacher preparation program that help incorporate the technology into the first school curriculum shall be deemed to be $400,000.

EDUCATION FOR THE DISADVANTAGED

The matter under this heading in the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking "$7,332,000,000" and inserting "$7,602,000,000".

For an additional amount (to the corrected amount under this heading) for "Education for the Disadvantaged" to carry out part A of title IV of the Elementary and Secondary Education Act of 1965 in accordance with the eighth proviso under that heading, and the remaining $6,600,000 shall be distributed to eligible local
educational agencies under section 8007, as such section was in effect under section 8006, 2000.

SPECIAL EDUCATION

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to Special Education Research and Innovations under the heading "Special Education", the provision for training, technical support, services and equipment through the Early Childhood Developmental Disabilities Bureau in the Delta Region shall be applied by substituting "Easter Seal—Arkansas" for "the National Easter Seal Society.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

The matter under this heading in the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) is amended by striking "$139,624,000" and inserting "$139,853,000".

In the statement of the managers of the committee of conference accompanying H.R. 4577 (Public Law 106–554; House Report 106–1033), in title III of the explanatory language on H.R. 5656 (Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001), in the matter relating to the Fund for the Improvement of Education under the heading "Education Research, Statistics and Improvement"—

(1) the aggregate amount specified shall be deemed to be $139,853,000;

(2) the amount specified for the National Mentoring Partnership in Washington, DC for establishing the National E-Mentoring Clearinghouse shall be deemed to be $461,000; and

(3) the provision specifying $1,275,000 for one-to-one computing shall be deemed to read as follows:

"$1,275,000—NetSchools Corporation, to provide one-to-one e-learning pilot programs for Dover Elementary School in San Pablo, California, Belle Haven Elementary School in East Menlo Park, Contra Costa; and West Rock Magnet School in New Haven, Connecticut, Reid Elementary School in Searchlight, Nevada, and McDermott Combined School in McDermott, Nevada.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 2701. IMPACT AID. (a) LEARNING OPPORTUNITY THRESHOLD PAYMENTS.—Section 8000(b)(3)(B)(iv) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7003(b)(3)(B)(iv)) (as amended by section 8006(b)(2)(C) of the Impact Aid Reauthorization Act of 2000 as enacted into law by section 1 of Public Law 106–390) is amended by inserting "or less than the average per-pupil expenditure of all the States" after "of the State in which it is located.”

(b) FUNDING.—The Secretary of Education shall make payments under section 8000(b)(3)(B)(iv) of the Elementary and Secondary Education Act of 1965 from the $822,000,000 available under the heading "Impact Aid" in title III of the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2001 (as enacted into law by Public Law 106–554) for basic support payments under section 8000(b).

CHAPTER 8

LEGISLATIVE BRANCH

CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to Rhonda B. Sisisky, widow of Norman Sisisky, late a Representative from the Commonwealth of Virginia, $145,100.

For payment to Barbara G. Gordon, heir of John Joseph Moakley, late a Representative from the Commonwealth of Massachusetts, $145,100.

SALARIES AND EXPENSES

For an additional amount for salaries and expenses of the House of Representatives, $61,662,000, as follows:

MEMBERS' REPRESENTATIONAL ALLOWANCES, STANDING COMMITTEES, SPECIAL AND SELECT COMMITTEE ON APPROPRIATIONS, ALLOWANCES AND EXPENSES

For an additional amount for Members' Representational Allowances, Standing Committees, Special and Select, Committee on Appropriations, Allowances and Expenses, $44,214,000, with any allocations to such accounts subject to approval by the Committee on Appropriations of the House of Representatives.

For an additional amount for the salaries and expenses of the Office of the Clerk, $3,150,000; and for salaries and expenses of the
Office of the Chief Administrative Officer, $14,298,000, of which $11,161,000 shall be for salaries, expenses, and temporary personal services of House Information Resources and $3,000,000 shall be for separate upgrades for committee rooms: Provided, That of the unobligated balances made available under this heading in Public Law 106-173 and Public Law 106-346, $12,000,000 are rescinded.

COAST GUARD OPERATING EXPENSES

For an additional amount for “Operating expenses”, $92,000,000, to remain available until expended, for the repair of Coast Guard facilities damaged during the Northern earthquake or for costs associated with moving the affected Coast Guard assets to an alternative site within Seattle, Washington.

RESCISION

Of the amounts made available under this heading in Public Law 106-69 and Public Law 106-346, $12,000,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

For an additional amount for “Operating expenses”, $92,000,000, to remain available until expended, for the repair of Coast Guard facilities damaged during the Northern earthquake or for costs associated with moving the affected Coast Guard assets to an alternative site within Seattle, Washington.

RESCISION

Of the amounts made available under this heading in Public Law 106-69 and Public Law 106-346, $12,000,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

For the costs associated with the long term improvement, restoration, or replacement of highways including seismically-vulnerable highways recently damaged during the Northern earthquake, $27,600,000, to be derived from the Highway Trust Fund, other than the Mass Transit Account, and to remain available until expended.

RESCISION

Of the unobligated balances authorized under 49 U.S.C. 40102, as amended, $39,000,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

EMERGENCY HIGHWAY RESTORATION

(HIGHWAY TRUST FUND)

For the costs associated with the long term improvement, restoration, or replacement of highways including seismically-vulnerable highways recently damaged during the Northern earthquake, $27,600,000, to be derived from the Highway Trust Fund, other than the Mass Transit Account, and to remain available until expended.

RESCISION

Of the unobligated balances authorized under 49 U.S.C. 40102, as amended, $39,000,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

EMERGENCY HIGHWAY RESTORATION

(HIGHWAY TRUST FUND)

For the costs associated with the long term improvement, restoration, or replacement of highways including seismically-vulnerable highways recently damaged during the Northern earthquake, $27,600,000, to be derived from the Highway Trust Fund, other than the Mass Transit Account, and to remain available until expended.

RESCISION

Of the unobligated balances authorized under 49 U.S.C. 40102, as amended, $39,000,000 are rescinded.
VERMONT HEALTH ADMINISTRATION
MEDICAL AND PROSTHETIC RESEARCH

Of the amount provided for Medical and prosthetic research in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001, Public Law 106–554, $15,000,000 may be used for associated travel expenses.

DEPARTMENTAL ADMINISTRATION
GENERAL OPERATING EXPENSES

(Transfer of Funds)

Of the amounts available in the Medical care account, not more than $19,000,000 may be transferred not later than September 30, 2001, to the General operating expenses account, for the administrative expenses of processing compensation and pension claims, of which up to $5,000,000 may be used for associated travel expenses.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PUBLIC AND INDIAN HOUSING
HOUSING CERTIFICATE FUND

$114,300,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under this heading in Public Law 106–377 for which such balances were available, in order to extinguish the utility bond obligations associated with the Urban Superfund site remediation at the Hacienda Apartments in Oakland, California.

Of the amount provided under this heading within the Department of Housing and Urban Development in fiscal year 2001 and prior years, $5,000,000 shall be made available for emergency housing, housing assistance, and other assistance to address the mold problem at the Turtle Mountain Indian Reservation: Provided, That any such balances governed by reallocation provisions under the heading ``Native American housing block grants'' in title II of Public Law 106–377 for which such balances were available, in order to authorize the program for which the funds were originally appropriated shall not be available for this rescission.

NATIVE AMERICAN HOUSING BLOCK GRANTS

Of the funds provided under this heading within the Department of Housing and Urban Development in fiscal year 2001 and prior years, $5,000,000 shall be made available for emergency housing, housing assistance, and other assistance to address the mold problem at the Turtle Mountain Indian Reservation: Provided, That the Federal Emergency Management Agency shall provide technical assistance to the Turtle Mountain Band of Chipewa with respect to the acquisition of emergency housing and related issues on the Turtle Mountain Indian Reservation.

COMMUNITY PLANNING AND DEVELOPMENT
COMMUNITY DEVELOPMENT FUND (INCLUDING RESCISION)

Except for the amount made available for the cost of guaranteed loans as authorized under section 108 of the Housing and Community Development Act of 1974, the unobligated balances available in Public Law 106–377 for use under this heading in only fiscal year 2001 are rescinded as of the date of enactment of this provision.

The amount of the unobligated balances rescinded in the preceding paragraph is appropriated for the activities specified in Public Law 106–377 for which such balances were available, to remain available until September 30, 2003.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended with respect to the amount made available for the City of Arica, Chile, by inserting the words "for an environmental impact statement" and inserting the words "for a regional landfill".

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking "$500,000 for Essex County, Massachusetts for its wastewater and combined sewer overflow program," in reference to an appropriation for Essex County, and inserting "$50,000 to improve cyber-districts in Haverhill, Massachusetts".

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking "$100,000 to Essex County, Massachusetts for cyberspace economic development initiatives," in reference to an appropriation for Essex County, and inserting "$75,000 to improve cyber-districts in Haverhill, Massachusetts".

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking "$6,952,000 from "Tax Law and Management''," and inserting "$18,000,000 is hereby rescinded, effective September 30, 2001, as Earned Income Tax Compliance'' in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106–554)."

CHAPTER 10
DEPARTMENT OF THE TREASURY
DEPARTMENTAL OFFICES
SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", to reimburse any agency of the Department of the Treasury or other Federal agency for costs of providing operational and perimeter security at the 2002 Winter Olympics in Salt Lake City, Utah, $1,000,000, to remain available until September 30, 2002.

FEDERAL MANAGEMENT SERVICE
SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $589,413,000, to remain available until September 30, 2002.

INTERNAL REVENUE SERVICE
PROCESSING, ASSISTANCE, AND MANAGEMENT

For an additional amount for "Processing, Assistance, and Management", $96,200,000, to remain available through September 30, 2002.

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

Of the funds made available under this heading in H.R. 5658 of the 106th Congress, as incorporated by reference in Public Law 106–554, up to $1,000,000 may be transferred and made available for necessary expenses incurred pursuant to section 67 of the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5064)(7), to remain available until expended.

GENERAL PROVISIONS—THIS CHAPTER

SEC. 21001. Section 413 of H.R. 5658, as incorporated by reference in Public Law 106–554, is amended to read as follows: "SEC. 413. DESIGNATION OF THE PAUL COVERDELL BUILDING. The recently-completed classroom building constructed on the Core Campus of the Federal Law Enforcement Training Center in Glyco, Georgia, shall be known and designated as the ‘Paul Coverdell Building’.

SEC. 21002. Of unobligated balances as of September 30, 2000, appropriated in, and further authorized through section 511 of Public Law 106–58, and under the headings, "Internal Revenue Service, Processing, Assistance, and Management" and "Taxpayer Service", and "Earned Income Tax Compliance", $31,000,000 is hereby rescinded, effective September 30, 2001, as follows: $9,005,000 from "Processing, Assistance, and Management"; $9,005,000 from "Taxpayer Service"; and $9,990,000 from "Earned Income Tax Compliance".

SEC. 413. RESCIND FUNDS appropriated under this heading in Public Law 106–554 for fiscal year 2002 and future years, the unobligated balances remaining from funds appropriated to the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001 (Public Law 106–554) for which such balances were available, in order to accomplish the purposes of section 104 of Chapter 4 of Appendix D of Public Law 106–554; such amount shall be reimbursed to the Cemetery by the De}

Chapter 11
DEPARTMENT OF VETERANS AFFAIRS
VETERANS BENEFITS ADMINISTRATION
COMPENSATION AND PENSIONS

For an additional amount for "Compensation and pensions", $589,413,000, to remain available until expended

READJUSTMENT BENEFITS

For an additional amount for "Readjustment benefits", $347,000,000, to remain available until expended.
from appropriations accounts of the Department of Defense other than such account for the Cemetery.

ENVIRONMENTAL PROTECTION AGENCY
ENVIRONMENTAL PROGRAMS AND MANAGEMENT
From the amounts appropriated for Cortland County in the Senate Appropriations Act, 2002, and in future Acts, the Administrator is authorized to award grants for work on New York watersheds. Provided, That notwithstanding any other provision of law, the funds provided to the Salt Lake Organizing Committee (SLOC) under this heading in Public Law 106–377 are available for grants for environmental programs and operations as set forth in the November 2000 Environment Annual Report of the Salt Lake 2002 Olympic Winter Games: Provided further, That the Environmental Protection Agency shall make such funds available within thirty days of enactment of this Act: Provided further, That actual costs incurred by the SLOC for activities consistent with the aforementioned report undertaken by the SLOC subsequent to enactment of Public Law 106–377 shall be eligible for reimbursement under this grant and shall not require a grant deviation by the Agency.

STATE AND TRIBAL ASSISTANCE GRANTS
The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words “Beloit, Wisconsin” in reference to item number 236, and inserting the words “extension of separate sanitary sewers and extension of separate storm sewers”.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words “Limestone County Water and Sewer Authority in Alabama for” in reference to item number 13, and inserting the words “drinking water improvements”: Provided, That the referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking all after the words “Clintont, Tennessee for” in reference to item number 211, and inserting the words “wastewater and sewer system infrastructure improvements”.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking the words “the City of Hartsville” in reference to item number 11, and inserting the words “Hartsville Utilities”.

The referenced statement of the managers under this heading in Public Law 106–377 is deemed to be amended by striking the words “Florida Department of Environmental Protection” in reference to item number 48, and inserting the words “Southwest Florida Water Management District”.

Under this heading in title III of Public Law 106–377, strike “$3,641,341,386” and insert “$3,641,341,386”.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
HUMAN SPACE FLIGHT
Notwithstanding the proviso under the heading, “Human space flight”, in Public Law 106–74, $40,000,000 of the amount provided therein shall be available for preparations necessary to carry out future research supporting life and micro-gravity science and applications.

TITLE III
GENERAL PROVISIONS—THIS ACT
SEC. 3001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 3002. UNITED STATES-CHINA SECURITY REVIEW COMMISSION. There are hereby appropriated, out of any funds in the Treasury not otherwise appropriated, $1,700,000, to remain available until expended, to the United States-China Security Review Commission.

This Act may be cited as the “Supplemental Appropriations Act, 2001”.

And the Senate agrees to the same.


Robert C. Byrd, Daniel K. Inouye, Fritz Hollings, Ted Stevens, Thad Cochran, Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE
The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

Report language included by the House in the report accompanying H.R. 2216 (H. Rept. 106–102) which is not changed by the Senate in the report accompanying S. 1077 (S. Rept. 106–37), and Senate report language which is not changed by the conference are approved by the committee of conference. The statement of managers, while reporting some report language for emphasis, is not intended to negate the language referred to above unless expressly provided therein.

TITLE I
NATIONAL SECURITY MATTERS
CHAPTER I
DEPARTMENT OF JUSTICE
RADIATION EXPOSURE COMPENSATION
PAYMENT TO RADIATION EXPOSURE COMPENSATION TRUST FUND
The conference agreement increases language that provides such payments as may be necessary in fiscal year 2001 to make payment to the Radiation Exposure Compensation Trust Fund. The conference believes that the Federal government must meet its obligations to persons, and their families, who were exposed to radiation and who now suffer from related diseases. The conference further notes that the compensation payments are based on claimants meeting eligibility criteria and therefore should be mandatory in nature, and such payments are assumed in the fiscal year 2002 congressional budget resolution to be scored as mandatory with enactment of appropriate legislation starting in fiscal year 2002. The conferees are approving these additional funds for fiscal year 2001 with the understanding and expectation that future funding for this purpose will be mandatory and that further discretionary appropriations will not be necessary and should not be provided in subsequent appropriations acts.

CHAPTER 2
DEPARTMENT OF DEFENSE—MILITARY PERSONNEL
The supplemental request included $515,000,000 for functions funded in title I, Military Personnel, of the Department of Defense Appropriations Act. The conferees recommend $515,000,000, as detailed in the following table.

<table>
<thead>
<tr>
<th>Program</th>
<th>Request</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>116,000</td>
<td>116,000</td>
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<td>(13,000)</td>
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<tr>
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<td>279,000</td>
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<td>(2,000)</td>
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<tr>
<td></td>
<td>28,000</td>
<td>28,000</td>
<td>28,000</td>
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</tr>
</tbody>
</table>
## OPERATION AND MAINTENANCE

The supplemental request included $2,841,700,000 for funds funded in title II, $3,002,450,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

<table>
<thead>
<tr>
<th>Program</th>
<th>Request</th>
<th>House</th>
<th>Senate</th>
<th>Conference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focused Relief</td>
<td>36,000</td>
<td>36,000</td>
<td>0</td>
<td>18,500</td>
</tr>
<tr>
<td>Base Operations</td>
<td>414,000</td>
<td>407,000</td>
<td>447,000</td>
<td>429,000</td>
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<tr>
<td>Force Protection</td>
<td>33,000</td>
<td>33,000</td>
<td>33,000</td>
<td>33,000</td>
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<tr>
<td>Contractor Logistics Support</td>
<td>63,000</td>
<td>63,000</td>
<td>38,500</td>
<td>43,600</td>
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<tr>
<td>Joint Exercises</td>
<td>11,000</td>
<td>11,000</td>
<td>11,000</td>
<td>11,000</td>
</tr>
<tr>
<td>Enlisted Pay</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Utilities</td>
<td>465,000</td>
<td>463,100</td>
<td>465,000</td>
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<td>144,300</td>
<td>293,000</td>
<td>371,300</td>
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<td>Ship Depot Maintenance</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
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<tr>
<td>Spare Parts</td>
<td>-</td>
<td>0</td>
<td>30,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Pacific Command Initiatives</td>
<td>-</td>
<td>0</td>
<td>30,000</td>
<td>25,000</td>
</tr>
<tr>
<td>East Timor</td>
<td>-</td>
<td>0</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Strategic Lift in the Pacific</td>
<td>-</td>
<td>0</td>
<td>5,000</td>
<td>5,000</td>
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<tr>
<td>Recruiting and Advertising</td>
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<td>0</td>
<td>20,900</td>
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<td>Army Recruiting and Advertising</td>
<td>20,000</td>
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<td>Military Personnel, Navy</td>
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<td>(38,000)</td>
<td>(38,000)</td>
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<tr>
<td>Military Personnel, Navy</td>
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<td>(13,000)</td>
<td>(13,000)</td>
<td>(13,000)</td>
</tr>
<tr>
<td>Military Personnel, Marine Corps</td>
<td>(14,000)</td>
<td>(14,000)</td>
<td>(14,000)</td>
<td>(14,000)</td>
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<td>Military Personnel, Air Force</td>
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<td>(6,000)</td>
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<tr>
<td>Recruiting and Retention</td>
<td>33,000</td>
<td>33,000</td>
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<tr>
<td>Military Personnel, Air Force</td>
<td>(33,000)</td>
<td>(33,000)</td>
<td>(33,000)</td>
<td>(33,000)</td>
</tr>
</tbody>
</table>

### Spare Parts Funding

The conferees concur with the Senate's recommended reporting requirements concerning supplemental funding for consumable and repairable spare parts.

### Army Recruiting and Advertising

The conferees recommend $20,900,000, instead of $25,000,000 as proposed by the House to fund the Army's advertising campaign sufficiently through the end of the fiscal year. The conferees are aware of the Army's advertising efforts to focus on certain audiences, including Hispanics, and directs that no less than $5,000,000 of the funds provided be used to further increase existing production efforts directed toward Hispanic recruits.

### Focused Relief

The conferees recommend $20,900,000, instead of $25,000,000 as proposed by the House, and
Army Real Property Maintenance

The conferees do not agree with the direction in the Senate to extend the authority to realign funds among the Army Real Property maintenance fund.

Department of Defense Energy Demand Reduction

The conferees include $45,700,000 as proposed by the House instead of $28,700,000 as proposed by the Senate, for Department of Defense energy demand reduction programs. The conferees are greatly concerned about the impact of Department of Defense energy consumption on the Western power grid. The conferees believe strongly that the Secretary of Defense must address this issue with a plan that combines greater energy efficiencies with a determined effort to fully utilize the Department's significant generating capabilities, as well as the land and other natural resources that are available for lease to private power companies. In order to assist in relieving energy demand during electric power emergencies in the western region during such emergencies, the Secretary should use all electric generating facilities owned or operated by the Department of Defense in that region, other than hydroelectric or facilities require for high priority military readiness, to generate energy for use by facilities of the Department of Defense or to be interconnected to public electric power transmission and distribution systems for use on a reimbursable basis. Of the funds provided, the conferees direct the following are to remain available through fiscal year 2002 and to be used as follows:

- $45,700,000 for joint initial flight training curriculum.
- $4,000,000 for joint final flight training curriculum.
- $3,000,000 for transitioning of T–34 training system.
- $1,200,000 for joint systems integration.
- $202,500,000 for joint systems integration.
- $73,000,000 for joint systems integration.

Other Procurement, Army

The conferees agree to restore $4,000,000 of the $8,000,000 rescinded by the House for the Shortstop Electronic Protection System (SEPS), and to realign these funds from "Procurement, Marine Corps" to "Other Procurement, Army", only for the purpose of procuring the SEPS countermeasure system to meet the force protection requirements of Army National Guard units deploying to contingency operations areas and for other Army National Guard requirements.

Aircraft Procurement, Navy

The conferees are concerned by the Department of the Navy's decision to discontinue acquisition of the Joint Primary Aircraft Training System (JPATS) for fiscal years 2002 through 2007. JPATS is currently scheduled to replace all Air Force and Navy primary training aircraft and ground based training systems. The program was designed to provide a training aircraft that offers better performance, increased safety, and greater cost-effectiveness than the existing trainer aircraft fleet. The program was also conceived as a joint program with the Navy and the Air Force to create a common multi-service flight training environment as well as to take advantage of economies of scale during the production run.

The conferees direct that no later than 30 days after the enactment of this Act, the Secretary of the Navy shall submit a report to the House and Senate Appropriations Committees detailing the business case for deferring JPATS acquisition. The report should include a discussion of: (1) all life cycle cost impacts associated with the decision to defer acquisition of JPATS; (2) safety issues related to continued use of the T–94 trainer; and (3) the implications of a non-joint initial flight training curriculum.

Missile Procurement, Air Force

GPS Nuclear Detonation

The conferees agree to provide $15,500,000 in the "Missile Procurement, Air Force" account for GPS Nuclear Detonation. The conferees direct that these funds shall be executed within the line-item entitled "NUDET (Nuclear Detection)". The conferees agree with the Senate direction regarding transfer of funds in the outyears. The conferees expect the Air Force, as executive agent for space, to protect the interests of the diverse stakeholders who rely on enabling space technology to achieve mission success.

Research, Development, Test and Evaluation

The supplemental request included $550,700,000 for functions funded in title III, Procurement, of the Department of Defense Appropriations Act. The conferees recommend $572,450,000 instead of $486,700,000 as proposed by the House, and $596,150,000 as proposed by the Senate. The following table summarizes the conferees' recommendations.

<table>
<thead>
<tr>
<th>Program</th>
<th>House Request</th>
<th>Senate</th>
<th>Conference</th>
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<tr>
<td>Training Munitions</td>
<td>73,000</td>
<td>73,000</td>
<td>31,200</td>
</tr>
<tr>
<td>Procurement of Ammunition, Air Force</td>
<td>(73,000)</td>
<td>(73,000)</td>
<td>(31,200)</td>
</tr>
<tr>
<td>C-17 Overhaul Costs</td>
<td>49,000</td>
<td>49,000</td>
<td>49,000</td>
</tr>
<tr>
<td>Aircraft Procurement, Air Force</td>
<td>(49,000)</td>
<td>(49,000)</td>
<td>(49,000)</td>
</tr>
<tr>
<td>Ship Cost Growth</td>
<td>222,000</td>
<td>79,000</td>
<td>79,000</td>
</tr>
<tr>
<td>Shipbuilding and Conversion, Navy</td>
<td>(222,000)</td>
<td>(222,000)</td>
<td>(79,000)</td>
</tr>
<tr>
<td>Drill Electrical Demand Reduction</td>
<td>4,200</td>
<td>4,200</td>
<td>4,200</td>
</tr>
<tr>
<td>Other Procurement, Army</td>
<td>10,200</td>
<td>10,200</td>
<td>10,200</td>
</tr>
<tr>
<td>Global Positioning System NUDET</td>
<td>0</td>
<td>15,500</td>
<td>15,500</td>
</tr>
<tr>
<td>Missile Procurement, Air Force</td>
<td>(0)</td>
<td>(15,500)</td>
<td>(15,500)</td>
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<tr>
<td>Shortstop</td>
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</tr>
<tr>
<td>Other Procurement, Army</td>
<td>(0)</td>
<td>(0)</td>
<td>(0)</td>
</tr>
</tbody>
</table>

Program Request  House Request  Senate  Conference

[In thousands of dollars]
GLOBAL HAWK UNMANNED AERIAL VEHICLE

The conferees agree to provide $17,000,000 to accelerate the development of the Global Hawk High Altitude Endurance Unmanned Aerial Vehicle as recommended by the House, instead of $25,000,000 as recommended by the Senate.

The conferees agree that better utilization of the CV–22 is warranted.

A reduction of $189,000,000 is approved for the Marine Corps V–22 procurement program, in lieu of the $235,000,000 reduction proposed by the Defense Department. This adjustment will allow the Marine Corps to purchase 11 aircraft, the minimum production rate required. The conferees also approve a reduction of $327,500,000 from the CV–22 procurement program, delaying initial acquisition of this aircraft until deficiencies can be corrected.

The conferees support the Navy's request to continue the follow-on development and engineering activities required by the CV–22 program restructure. The conferees expect the House and Senate Committees on Appropriations to clarify the milestones for the development of this aircraft until deficiencies can be corrected.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE–WIDE

The conferees agree to two recessions totaling $7,000,000, from “Research, Development, Test and Evaluation, Defense–Wide” and a reappropriation of these amounts for the National Imagery and Mapping Agency.

The conferees agree to provide $4,000,000 for PIPES and $3,000,000 for Blast Visualization–COTS Visualization and Blast Modeling for Force Protection–Center for the Commercial Deployment of Transportation Technologies.

The conferees believe that preliminary studies of high speed cargo craft for ocean shipping conducted by the Center for the Commercial Deployment of Transportation Technologies under the guidance of USTRANSCOM and MARAD hold promise for development of safe and profitable high-speed shipping vessels that would have utility for the movement of high priority military cargo.

REVOLVING AND MANAGEMENT FUNDS

The supplemental request included $178,400,000 for functions funded in title V, Revolving and Management Funds, of the Department of Defense Appropriations Act. The conferees recommend $178,400,000 as detailed in the following table.

SUPPORT TO MILITARY MEDICAL TREATMENT FACILITIES

The conferees agree to provide an increase over the President’s budget request of $150,000,000 to initiate an effort to reverse the disinvestments in the military direct care system. This compares to an increase of $200,000,000 proposed by the House and an increase of $56,800,000 proposed by the Senate. The conferees agree that better utilization of direct care military treatment facilities must be a principal component of the Department’s future plans to control the explosive cost growth in the Defense Health Program. These funds are to be distributed as follows:

- $30,000,000 for Army optimization projects;
- $30,000,000 for Navy optimization projects;
- $1,522,200,000 as proposed by the House and $1,603,400,000 as proposed by the Senate. The following table summarizes the conferees’ recommendations.
$30,000,000 for Air Force optimization projects; $30,000,000 for advanced medical practices; $30,000,000 for other direct care/MTF requirements.

The conferees agree to direct the provision in the House report outlining the types of optimization projects that are eligible for these funds, guidance on calculating the cost effectiveness of the baseline for potential optimization projects, and the requirement for reporting to Congress on the use of these funds. The conferees agree that the $30,000,000 provided in this chapter for advanced medical practices shall be used to implement newly developed practices, procedures and techniques such as laser refractive eye surgery, liquid based cytology, positron emission tomography, non-invasive colonscopy, and rigorous near-symptomatic screening to augment existing DoD personal wellness and readiness programs.

OUTCOMES MANAGEMENT DEMONSTRATION

The conferees support the outcomes management demonstration at the Walter Reed Army Medical Center (WRAMC). In addition, the conferees provided an additional $30,000,000, to remain available until expended, to address immediate shortfalls in the direct care system and military medical treatment programs. From within those funds, the conferees direct that $16,000,000 be made available to continue the outcomes management demonstration at WRAMC.

RECENT PAYMENTS

The conferees are aware of potentially significant opportunities to recover past capital investments, non-invasive colonoscopy, and rigorous near-symptomatic screening to augment existing DoD personal wellness and readiness programs.

CLASSIFIED PROGRAMS

The conferees agree to retain section 1203, as proposed by the House which allows for the conveyance by the Secretary of Defense to act expeditiously to recover such overpayments to civilian hospitals. The conferees agree to retain section 1205, as proposed by the House which rescinds $1,034,900,000 of prior year appropriations, instead of $834,000,000 as proposed by the Senate.

The conferees agree to amend section 1206, as proposed by the House which provides $39,900,000 to repair facilities damaged by natural disasters. The conferees agree to retain section 1207, as proposed by the House which extends the authorities provided in section 816 of the National Defense Authorization Act of 1998, as amended, through January 31, 2002.

The conferees agree to add $10,000,000, as proposed by the Senate concerning retainment of all or a portion of Port Greeley, Alaska for missile defense requirements.

The conferees agree to retain section 1208, as proposed by the Senate concerning retaining all or a portion of Port Greeley, Alaska for missile defense requirements. The conferees agree to retain section 1209, as proposed by the House which makes a technical correction to the fiscal year 2001 appropriation for Maritime Fire Training Centers.

The conferees agree to amend section 1210, as proposed by the Senate concerning transfer of the Department of Energy's Advanced Research Projects Agency - Energy (ARPA-E) funds for the repair of the Nevada Test Site, has been proposed $7,689,000 of which an additional $13,289,000. Project 01–D–107, Atlas Relocation and Operations at the Nevada Test Site, has been proposed $7,500,000 for high explosives manufacturing and weapons assembly/disassembly readiness; and $1,600,000 for nonnuclear readiness.

RESEARCH AND DEVELOPMENT, DEFENSE

The conference agreement includes $58,900,000 for readiness in technical base and facilities to be allocated as follows: $35,100,000 for operations of facilities; $7,500,000 for program research, $500,000 for material recycle and recovery; $8,800,000 for containers; and $1,200,000 for storage. The conference agreement also provides funds for construction projects and includes language authorizing two projects to progress from preliminary engineering and design work to construction. Consistent with House action, as proposed by the Senate, Project 01–D–103, Project Engineering and Design (P&E&D), has been reduced by $7,000,000 of which an additional $13,289,000. Project 01–D–108, the Microsystems and Engineering Sciences (MESA) Complex Facility at Sandia National Laboratories, has been provided $9,500,000. Project 01–D–107, Atlas Relocation and Operations at the Nevada Test Site, has been proposed $7,689,000 of which an additional $3,900,000 is provided for Atlas construction in order to complete relocation during fiscal year 2002.

Facilities and infrastructure.—The conference agreement includes $10,000,000, instead of $30,000,000 as proposed by the House, to establish a new program, Facilities and Infrastructure, to address the serious shortfall in maintenance and repairs throughout the nuclear weapons complex. This funding should be used to reduce the current backlog of maintenance and repairs and dispose of excess facilities. As the first step in this process, the Department is directed to develop current ten-year site plans that demonstrate the reconfiguration of facilities and infrastructure to meet mission requirements and address long-term operational costs and return on investment.

General reduction.—The conference agreement includes a general reduction of $10,375,000, to be allocated among the operating expense funds included in this supplemental appropriation. However, of the funds

PROCLAMATION OF REMNANTS

The conferees agree to retain section 1204, as proposed by the Senate concerning retainment of all or a portion of Port Greeley, Alaska for missile defense requirements. The conferees agree to retain section 1205, as proposed by the House which rescinds $1,034,900,000 of prior year appropriations, instead of $834,000,000 as proposed by the Senate.

The conferees agree to the direction provided in the House report outlining the types of optimization projects that are eligible for these funds, guidance on calculating the cost effectiveness of the baseline for potential optimization projects, and the requirement for reporting to Congress on the use of these funds. The conferees agree that the $30,000,000 provided in this chapter for advanced medical practices shall be used to implement newly developed practices, procedures and techniques such as laser refractive eye surgery, liquid based cytology, positron emission tomography, non-invasive colonscopy, and rigorous near-symptomatic screening to augment existing DoD personal wellness and readiness programs.
CONGRESSIONAL RECORD—HOUSE
July 19, 2001
13835

MILITARY CONSTRUCTION, NAVY

The conference agreement provides $9,400,000 for an emergent repair facility in Guam, proposed by the House. The Senate did not include a similar provision. Not included in the agreement is $1,100,000 for constructing a close range training facility in Okinawa, proposed by the Senate. The Senate did not include a similar provision.

MILITARY CONSTRUCTION, AIR FORCE

The conference agreement includes $10,000,000 for the Masmah Island Airfield project in Guam as proposed by the Senate. The House did not include a similar provision. Not included in the agreement is $8,000,000 for fire protection systems in hangars at Kunsan Air Base in Korea as proposed by the House. The Senate did not include a similar provision.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

The conference agreement includes $6,000,000 for tank farm operations, $3,300,000 for F-4 Phantom storage activities and $25,000,000 for the Waste Treatment and Immobilization Plant at Hanford, Washington; and $33,200,000 for high-level waste activities and work in the F and H areas at the Savannah River Site.

DEFENSE FACILITIES CLOSURE PROJECTS

The conference agreement provides $21,000,000 for Defense Facilities Closure Projects as proposed by the House and the Senate. Funding of $20,000,000 has been provided for the Fernald, Ohio, project, and $1,000,000 for the Miamsburg, Ohio, project.

DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION

The conference agreement provides $29,600,000 for Defense Environmental Management Privatization as proposed by the Senate. The House had no similar provision.

DEPARTMENT OF AGRICULTURE

AGRICULTURAL CONSERVATION PROGRAM (RESCISSION)

The conference agreement rescinds $8,000,000 of unobligated funds from the Agricultural Conservation Program as authorized in the Agricultural Risk Protection Act of 2000 as proposed by the Senate.

DEFENSE ENVIRONMENTAL, RESTORATION AND WASTE MANAGEMENT

The conference agreement provides $95,000,000 for Defense Environmental Restoration and Waste Management as proposed by the Senate instead of $100,000,000 as proposed by the House.

Site and project completion.—The conference agreement provides $26,500,000 for site and project completion activities. This includes $3,000,000 for groundwater contamination activities at the Pantex plant in Texas; $10,000,000 for the spent nuclear fuels project and $5,000,000 for deactivation of the plutonium finishing plant at Hanford, Washington; and $8,500,000 for plutonium packaging and stabilization activities at the Savannah River Site.

Post-2006 completion.—The conference agreement provides $68,500,000 for post-2006 completion activities. This includes $7,000,000 to purchase TRUPACTS shipping containers in support of operations at the Waste Isolation Pilot Plant in New Mexico; $10,000,000 for tank farm operations, $3,300,000 for F-4 Phantom storage activities and $25,000,000 for the Waste Treatment and Immobilization Plant at Hanford, Washington; and $33,200,000 for high-level waste activities and work in the F and H areas at the Savannah River Site.

ENVIRONMENTAL MANAGEMENT PRIVATIZATION

The conference agreement includes $30,480,000 instead of $29,480,000 as proposed by the Senate. The House did not include a similar provision.

FAMILY HOUSING, ARMY

The conference agreement includes $30,480,000 instead of $29,480,000 as proposed by the House, and $27,200,000 as proposed by the Senate. Of the amount provided, $22,000,000 is for renovating Hannam Village apartments in Seoul, Korea, and $1,000,000 is to repair storm damage at Fort Sill, Oklahoma.

GENERAL PROVISIONS—THIS CHAPTER

Senate Section 2101.—The conference agreement includes language (section 2101) transferring Animal and Plant Health Inspection Service Buildings and Facilities funds for plant quarantine facilities to the State of Alaska.

House Section 2101 and Senate Section 2102.—The conference agreement includes language (section 2102) that makes a technical correction to the Rural Community Advancement Program as proposed by the Senate instead of a technical correction as proposed by the House.

Senate Section 2103.—The conference agreement includes language (section 2103) directing the Secretary to promulgate final regulations for a Federal Crop Insurance Corporation program as authorized in the Agricultural Risk Protection Act of 2000 as proposed by the Senate.

Senate Section 2104.—The Conference agreement includes $20,000,000 (section 2104), as proposed by the Senate, to provide financial assistance in the Klamath Basin for a prospective water conservation program, and provides for expedited procedures. The conference agreement does not include language proposed by the House regarding an appurtenance request for the Klamath Basin, and does not include language proposed by the Senate requesting a report of fiscal year 2001 losses.

Senate Section 2105.—The conference agreement includes language (section 2105) that reduces a limitation on the food stamp Employment and Training Program by $3,000,000 as proposed by the Senate. The House had no similar provision.

Senate Section 2106.—The conference agreement includes language (section 2106) that rescinds $39,500,000 from unspecified prior year funds for the food stamp Employment and Training program as proposed by the Senate. The House had no similar provision.

Senate Section 2107.—The conference agreement (section 2107) provides $2,000,000 for financial assistance to the Yakima Basin for a prospective water conservation program, and provides for expedited procedures.

Senate Section 2108.—The conference agreement provides up to $22,000,000 as proposed by the Senate for cooperating sponsors under the Global Food for Education Initiative, and rescinds
$22,949,000 of funds appropriated for fiscal year 2001 for the Food and Drug Administration that are no longer required.

CHAPTER 2
DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
COASTAL AND OCEAN ACTIVITIES (INCLUDING RESCISSION)

The conference agreement includes language as proposed in the Senate bill rescinding funds for a construction project and appropriating the same amount for land acquisition intended for the same project.

The House bill did not address this matter.

DEPARTMENTAL MANAGEMENT
EMERGENCY OIL AND GAS GUARANTEED LOAN PROGRAM (RECISSION)

The conference agreement includes language as proposed in the Senate bill rescinding $114,800,000 from available funds in the Emergency Oil and Gas Guaranteed Loan Program. The House bill did not address this matter.

RELATED AGENCY
SMALL BUSINESS ADMINISTRATION
SALARIES AND EXPENSES (INCLUDING RESCISSION)

The conference agreement includes a provision proposed in the Senate bill rescinding $30,000 appropriated in fiscal year 2001 for technical assistance related to the New Markets Venture Capital Program to allow those funds to remain available until expended. This matter was not addressed in the House version of the bill.

BUSINESS LOANS PROGRAM ACCOUNT (INCLUDING RESCISSION)

The conference agreement includes a provision proposed in the Senate bill rescinding and reappropriating $22,000,000 appropriated in fiscal year 2001 for technical assistance related to the New Markets Venture Capital Program to allow those funds to remain available until expended. This matter was not addressed in the House version of the bill.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes Section 2201, modified from language proposed in the Senate bill, to amend portions of the American Airlines Act to clarify methods for lenders to demonstrate their citizenship when making loans to the commercial fishing industry after October 1, 2001. The House bill did not address this matter.

The conference agreement includes Section 2202, modified from language included in the Senate bill, to amend portions of the American Airlines Act to clarify methods for lenders to demonstrate their citizenship when making loans to the commercial fishing industry after October 1, 2001. The House bill did not address this matter.

The conference agreement includes Section 2203, clarifying the authorized uses of funds under a small business grant program.

The conference agreement includes Section 2204, clarifying the purposes of certain funds appropriated in fiscal year 2001.

CHAPTER 3
DISTRICT OF COLUMBIA

The conference agreement recommends $750,000 in Federal funds, $250,000 by transfer of Federal funds, and the revised supplemental request of $106,586,000 in District funds for fiscal year 2002, $106,586,000 instead of $50,000,000 as proposed by the House and $106,677,000 in District funds as proposed by the Senate.

FEDERAL FUNDS
FEDERAL CONTRIBUTION TO THE CHIEF FINANCIAL OFFICER (INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $1,000,000 in Federal funds, of which $250,000 is by transfer, as a contribution to the Chief Financial Officer of the District of Columbia for payment to the Excel Institute Adult Education Program. The House had proposed an appropriation under “Public Education System” of $1,000,000 consisting of $250,000 by transfer and $750,000 from local funds. The Excel Institute is an academic/autotechnical training school located in Northwest Washington. The Institute offers young men and women in the District the opportunity to train for a career, earn a high school equivalency diploma, and obtain an unsubsidized job in the automotive industry.

The conferees direct the District’s Chief Financial Officer to make the above payment to the Institute within 15 days of the enactment of this Act. The conferees do not expect the Chief Financial Officer to administer this program in any way except to ensure that the funds are disbursed promptly and correctly to the Excel Institute.

DISTRICT OF COLUMBIA FUNDS
GOVERNMENTAL DIRECTION AND SUPPORT (INCLUDING RESCISSION)

The conference agreement rescinds $250,000 as proposed by the House and inserts language clarifying that the rescission applies to fiscal year 2001 funds as proposed by the Senate.

ECONOMIC DEVELOPMENT AND REGULATION

The conference agreement includes language proposed by the Senate modified to place a cap of $9,000,000 on the amount to be used to implement the provisions of D.C. Bill 13–466 pertaining to historic properties. This amount was provided by District officials at the request of the conferees. The conferees note that there was no supporting justification material for this language and direct District officials to submit detailed justification material for this request. The conferees request an accounting by November 30, 2001, as to how the funds were used and the purposes for which they were used.

PUBLIC EDUCATION
FINANCIAL OFFICER (INCLUDING RESCISSION)

The conference agreement includes language proposed by the Senate modified to place a cap of $9,000,000 on the amount to be used by the Office of the Corporation Counsel from funds deposited in the District of Columbia Anti-Trust Fund ($52,000), the Antifraud Fund ($5,500), and the District of Columbia Consumer Protection Fund ($45,000). The con- ferences also limit the use of the funds to fiscal year 2001 instead of fiscal year 2002 as proposed by the Senate and “without fiscal year limitation” as proposed by the House.

The conferees note that there was no supporting justification material for this language. This request is similar to the one just discussed under “ECONOMIC DEVELOPMENT AND REGULATION.” The conferees direct District officials to submit detailed justification material for all budget requests. The conferences request an accounting by November 30, 2001, as to how the funds were used and the purposes for which they were used.

PUBLIC EDUCATION SYSTEM

The conference agreement appropriates $13,000,000 as proposed by the Senate instead of $14,000,000 as proposed by the House. $750,000 was from local funds as proposed by the Senate. The House agreement appropriates $1,000,000 for a census-type audit of student enrollment and $12,000,000 for the 2001 summer school session as proposed by the Senate instead of $1,000,000 for a census-type audit of student enrollment, $12,000,000 for the 2001 summer school session and $1,000,000 of which $250,000 was by transfer and $750,000 was from local funds for the Excel Institute Adult Education Program as proposed by the House. The House has the necessary tools to insure that reliable, accurate, and objective financial information is available to the Mayor, the Congress, the Congress, the financial markets, District citizens an other interested parties.

The conferees are committed to ensuring that the Chief Financial Officer has the necessary tools to insure that reliable, accurate, and objective financial information is available to the Mayor, the Congress, the Congress, the financial markets, District citizens an other interested parties.

The conferees understand that the District of Columbia government has enacted legislation promoting the independence, expertise and authority of the Office of the Chief Financial Officer. The conferees are committed to ensuring that the Chief Financial Officer has the necessary tools to insure that reliable, accurate, and objective financial information is available to the Mayor, the Congress, the Congress, the financial markets, District citizens an other interested parties.

The conferees intend to work closely with the President of the District of Columbia, the District of Columbia Financial Responsibility and Management Assistance Act of 1995. The report is to be submitted within 45 days of enactment of this Act.

The conference agreement includes language proposed by the Senate as a new section 2301 modified to require the Mayor to provide to the House and Senate appropriating and authorizing committees a report on the specific authority necessary to carry out the responsibilities transferred to the Chief Financial Officer in a non-control year, outlined in Section 155 of Public Law 104–252, and responsibilities outlined in DC Bill 14–254 passed by the District Council on July 10, 2001 relating to the transition of responsibilities under Public Law 104–8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995. It is not to be included within 45 days of enactment of this Act.

The conference agreement includes Section 2302, modified from language proposed by the Senate, to amend portions of the District of Columbia Financial Assistance Act, Public Law 104–8, for the purpose of restoring financial solvency to the District of Columbia by improving effective management of the District of Columbia. The Act created the “Control Board” to oversee the management of the District of Columbia and establish an independent, autonomous Chief Financial Officer within the District government, responsible for all financial offices of the District (budget, controller, treasurer, fi-nance and revenue) (GAO–01–847TF). As the conditions of a “control period” have been met and the Control Board terminates at the end of fiscal year 2001, certain functions performed by the Control Board have been transferred to the responsibility of the Chief Financial Officer. Public Law 106–522, the District of Columbia Appropriations Act, outlines twenty-four (24) specific responsibilities for the Chief Financial Officer in a non-control year.

The conference agree that the District of Columbia government has enacted legislation promoting the independence, expertise and authority of the Office of the Chief Financial Officer. The conferees are committed to ensuring that the Chief Financial Officer has the necessary tools to insure that reliable, accurate, and objective financial information is available to the Mayor, the Congress, the Congress, the financial markets, District citizens an other interested parties.

The conferees are committed to ensuring that the Chief Financial Officer has the necessary tools to insure that reliable, accurate, and objective financial information is available to the Mayor, the Congress, the Congress, the financial markets, District citizens an other interested parties.
OPERATION AND MAINTENANCE, GENERAL

The conference agreement includes $66,500,000 for Operation and Maintenance, General instead of $139,200,000 as proposed by the House. The Senate did not propose funding for this account. Of the amount provided, $18,000,000 is for the Corps of Engineers to address critical maintenance items at its hydroelectric power facilities. In addition, language has been included in the bill which directs the Corps of Engineers to use $8,000,000 to assist with the recovery efforts resulting from the devastating effects of flooding which occurred in Southern and Central West Virginia during the January 2008 floods. In addition to the $18,000,000 for the Corps of Engineers, the conference agreement also includes language proposed by the House which directs the Corps of Engineers to undertake the project authorized by section 518 of the Water Resources Development Act of 1999.

FLOOD CONTROL AND COASTAL EMERGENCIES

The conference agreement includes $50,000,000 for Flood Control and Coastal Emergencies as proposed by the House and the Senate.

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

The conference agreement provides $11,950,000 for Non-Defense Environmental Management as proposed by the House instead of $11,400,000 as proposed by the Senate. Additional funding of $10,000,000 is provided to continue the ongoing Environmental Assessment at the Brookhaven National Laboratory in New York, and $1,950,000 is provided to study remediation options at the former Atlas Corporation’s uranium mill tailings site near Moab, Utah.

URANIUM FACILITIES MAINTENANCE AND REMEDIATION

The conference agreement provides $230,000,000 for Uranium Facilities Maintenance and Remediation instead of $18,000,000 as proposed by the House and the Senate. The conference agreement includes $18,000,000 to accelerate cleanup activities at the gaseous diffusion plant in Paducah, Kentucky, and $12,000,000 to continue decontamination and decommissioning activities at the gaseous diffusion plant in Oak Ridge, Tennessee.

POWER MARKETING ADMINISTRATION

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

The conference agreement provides $1,578,000 for Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration as proposed by the House, instead of no funding as proposed by the Senate. Non-reimbursable funding of $1,328,000 is provided to complete planning and environmental studies for the Path 15 transmission line. Non-reimbursable funding of $250,000 is provided to conduct a planning study of transmission expansion options and projected costs in Western’s Upper Great Plains reception area. The directed study will require assumptions as to future generation locations. Western is directed to solicit suggestions from interested parties for Western’s Upper Great Plains Reception area. The directed study will require assumptions as to future generation locations and to consult with such parties before conducting the study. Western is directed to produce an objective evaluation of options that may be used by all interested parties.

GENERAL PROVISIONS—THIS CHAPTER

The conference agreement includes language proposed by the House to provide $500,000 for completion of the feasibility study for Chickamauga Lock, Tennessee. The conference agreement does not include language proposed by the Senate to transfer $23,700,000 from the National Nuclear Security Administration to the Corps of Engineers. The conference agreement modifies language proposed by the Senate which allows the Bureau of Reclamation to accept prepayment of certain obligations. The conference agreement does not include language proposed by the Senate to provide $250,000 within available funds for the Western Area Power Administration for a study to determine the costs and feasibility of transmission expansion. Funding for this activity has been provided in the Western Area Power Administration appropriation account.

The conference agreement modifies language proposed by the Senate to amend the Energy Employees Occupational Illness and Safety Act of 1999, and makes the provision effective on October 1, 2001.

CHAPTER 5

BILATERAL ECONOMIC ASSISTANCE

AGENCY FOR INTERNATIONAL DEVELOPMENT

CHILD SURVIVAL AND DISEASE PROGRAMS FUND

(INCLUDING RESCISION)

The conference agreement appropriates $100,000,000 for “Child Survival and Disease Programs Fund” as proposed by the Senate. The House bill provided a provision on this matter. These funds are available until expended and may be made available, notwithstanding any other provision of law, for a United States contribution to a global trust fund to combat HIV/AIDS, malaria, and tuberculosis.

The conference agreement rescinds $10,000,000 from fiscal year 2000 and prior year balances available under “Child Survival and Disease Programs Fund”. The Senate amendment would have rescinded $10,000,000 from funds that were designated for an international HIV/AIDS trust fund. The House bill did not contain a provision on this matter.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISION)

The conference agreement rescinds $10,000,000 from unobligated balances of funds available under the heading “Economic Support Fund”. The managers expect that the Department of State will consult with the Committees on Appropriations prior to any reallocation of any funds pursuant to this rescission.

GENERAL PROVISION—THIS CHAPTER

The conference agreement contains Senate language that provides that the final proviso of section 626 of the Foreign Operations, Export Financing and Related Programs Appropriations Act, 2000, as amended, is repealed, and that the funds identified by such proviso shall be made available pursuant to the authority of section 526 of Public Law 106-429.

The managers agree with the Senate report language on this provision. The House bill did not address the same matter.

The conference agreement does not contain section 3002 of the House bill regarding a re-
The conference agreement provides $50,000,000 for operation of Indian programs as requested by the Administration and proposed by both the House and the Senate. The agreement requires changes to the bill language. The first change permits these funds to remain available until expended and the second change clarifies that the funds may be used for state activities and related activities at the San Carlos Irrigation Project. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

RELATED AGENCY
DEPARTMENT OF AGRICULTURE
FOREST SERVICE
FOREST AND RANGELAND RESEARCH
The conference agreement provides $1,400,000 for forest and rangeland research as proposed in section 203 of the Senate bill to research on sudden oak death syndrome, instead of no funding as proposed by the House. The Senate proposal to derive these funds by transfer from unobligated balances in the land acquisition account is not agreed to.

STATE AND PRIVATE FORESTRY
The conference agreement provides $24,500,000 for State and private forestry, instead of $22,000,000 as proposed by the House and $2,500,000 as proposed by the Senate. Included are $10,000,000 to address ice storm damages in the States of Arkansas, Oklahoma and Texas, $12,000,000 for pest suppression in several areas of the country, $1,750,000 for emergency fire fighting in anchorage, and $750,000 for the Kenai Peninsula Borough Sustainable Park Task Force in Alaska. The Senate-proposed language dealing with fire fighting in Alaska has been modified by deleting references to equipment purchases. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

NATIONAL FOREST SYSTEM
The conference agreement provides $12,000,000,000 for the national forest system as proposed by the House instead of $10,000,000,000 as proposed by the Senate, of which $10,000,000 is for activities to address ice storm damages in the States of Arkansas and Oklahoma and $2,000,000 is to respond to illegal marijuana cultivation and trafficking in California and Kentucky. The House proposal to designate this appropriation as an emergency requirement is not agreed to.

WILDLAND FIRE MANAGEMENT
The conference agreement provides no funding for wildland fire management as proposed by the Senate, instead of $186,000,000 in emergency funding as proposed by the House.

CAPITAL IMPROVEMENT AND MAINTENANCE
(INCLUDING RESCISSION OF FUNDS)
The conference agreement provides $4,000,000 for capital improvement and maintenance as proposed by both the House and the Senate to repair damage caused by ice storms in Arkansas and Oklahoma. The House proposal to designate this appropriation as an emergency requirement is not agreed to. The conference agreement also provides for the extension of availability of funds previously appropriated for maintenance and snow removal on the Beartooth Highway due to the House. The Senate language is not agreed to.

GENERAL PROVISIONS—THIS CHAPTER
Section 2601 includes language proposed by the House to permit completion of a wildfire study at Apostle Islands National Lakeshore, WI by the Department of the Interior. The Senate addressed this provision under the National Park Service “Operation of the National Park System” account.

Section 2006 includes language proposed by the Senate extending the availability of funds provided in fiscal year 2001 for maintenance, protection and preservation of land in the Montrachet Historic Site, SD. The Senate addressed this provision under the National Park Service “Operation of the National Park System” account.

Section 2603 includes language proposed by the Senate allowing the Bureau of Land Management to use an estimated $188,000 in unobligated balances for land exchanges at Steens Mountain, OR.

Section 2604 includes language proposed by both the House and the Senate to correct a Public Law reference in section 338 of the Interior and Related Agencies Appropriations Act for fiscal year 2001.

Section 2005 includes language proposed by both the House and the Senate modifying a provision in the bill in order to authorize the payment of full overtime rates for fire fighters in fiscal year 2001.

Section 2006 includes language proposed by both the House and the Senate permitting the Forest Service to receive reimbursement for expenditures for projects that otherwise qualify for the use of Federal-aid highways funds.

Section 2007 includes language proposed by the Senate permitting the use of $2,000,000 in fiscal year 2001 funding for a direct payment to Ketchikan Public Utilities in Alaska to clear a right-of-way for the Swan Lake-Lake Tyee Intertie on the Tongass National Forest. Any activity associated with clearing the right-of-way must comply with all applicable Federal and State environmental laws and regulations.

Section 2008 includes language proposed by both the House and the Senate to permit the Forest Service to receive reimbursement for expenditures for projects that otherwise qualify for the use of Federal-aid highways funds.

Section 2009 modifies language proposed by the Senate restricting additional self-determination contracts and self-governance compacts for the provision of health care services to Alaska Natives. The modification excludes activities program by $45,000,000.

The conference agreement rescinds $127,500,000 from the Dislocated Worker program. The House bill contained no similar provision.

The conference agreement includes provisions increasing the rescission in the Dislocated Worker formula grant funds based upon each State’s share of the unexpended balances in the program as of June 30, 2001. The Senate bill contained provisions directing the Secretary to increase State program year 2001 allotments to States with acceptable program expenditures by re-allocating unexpended balances in States determined by the Secretary to have excess unexpended program balances as of June 30, 2001. The House bill contained no similar provision.

In addition, the conference agreement modifies language included in the Senate bill to make the rescission effective at the time the Secretary determines, based upon the best information available, the unexpended balances in each of the States. The conference expects the Secretary of Labor to make her determination by no later than September 30, 2001. The House bill contained no similar provision.

The conference notes that the Governors of each State under the Workforce Investment Act have the authority to re-allocate unobligated funds among local areas. The conference expects the Governors to exercise the authority for local areas where there is need.

The conference is aware of concerns about rescinding Workforce Investment Act training funds during a period of economic slowdown. However, based on the information available to the conference, it appears that there is excess funding available in the program and the rescission is necessary to meet other needs in fiscal year 2001.

The conference understands that the Secretary of Labor requires the Department of Labor to submit State financial data for the three Workforce Investment Act block grants on a quarterly basis. The data for June 30, 2001, the end of the current program year, is due to the conference in August 15, 2001. The conference believes that timely and accurate data are critical in order for the Congress to meet its oversight responsibilities for this important program. Therefore the conference directs the Secretary to submit to the House and Senate Committees on Appropriations an expenditure data report on each of the three Workforce Investment Act block grants at the State level and for the National Reserve funds within not more than 60 days of the end of the quarter beginning with the data from the end of the program year 2000 and continuing through program year 2001.

PENSION AND WELFARE BENEFITS
ADMINISTRATION
The conference agreement includes a provision amending the Department of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2000 and modifying the availability of funds included for the National Summit on Retirement Savings to September 30, 2002. The conference understands the Administration expects to convene the summit in the first part of fiscal year 2002. Neither the House nor the Senate bills addressed this matter.
DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

The conferees agree to include no technical corrections as proposed by the Senate. The House bill contains no similar provision.

NATIONAL INSTITUTES OF HEALTH

(INCLUDING TRANSFER OF FUNDS)

The conferees understand that bill language is necessary and also deletes without prejudice the language proposed by the Senate. The conferees further understand that the National Institutes of Health will use funds appropriated to the Office of the Director to proceed with the planning and start-up activities of the newly authorized National Institute of Biomedical Imaging and Bioengineering. The House bill contains no similar provision.

The conferees agree to include language to provide for a total of $7,115,000,000 for the National Library of Medicine to the Buildings and Facilities account to complete the design phase of a National Library of Medicine facility. The House and Senate bills contained no similar provision.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

The conference agreement includes a technical correction as proposed by both the House and the Senate.

The conferees understand that the Department plans to award only implementation grants, but no planning grants, to school districts under the fiscal year 2001 Smaller Learning Communities program. The conferees are very concerned about this decision and expect the Department to award both types of grants, and to apply the same competitive priorities used in the fiscal year 2000 grant competition in determining which applicants are funded in the fiscal year 2001 grant competition. The conferees further expect that the department will continue outreach and technical assistance activities to help ensure that school districts are aware that smaller schools and smaller learning communities are effective research-based strategies to improve student safety, morale, retention, and academic achievement.

DEPARTMENT OF EDUCATION

The conference agreement includes a technical correction relating to the amount of funding available for Basic Grants in school year 2001–2002 as proposed by both the House and the Senate.

The conference agreement also includes an additional $161,000,000 for the Title I Grants to LEAs program. It is the intent of the conferees that, when taken together with the technical correction to the basic grants amount, these additional resources will result in a final fiscal year 2001 appropriations of $7,397,971,000 for basic grants and $1,364,750,000 for concentration grants. The conference further intend that these additional resources will be used to address unmet energy assistance needs resulting from the extraordinary price increases in home heating fuels experienced during this past winter as well as funds to address unanticipated emergencies. The conference agreement has allocated the last three emergency LIHEAP distributions to the States in this manner. The conference directs the Department to provide notification to the Senate and House Committees on Appropriations of the amount, manner of distribution and justification for the release of funds not less than seven days prior to the release of funds.

The conferees concur with language contained in the Senate report regarding a technical correction. The House report contained no similar provision.

GENERAL DEPARTMENTAL MANAGEMENT

SPECIAL EDUCATION

The conference agreement includes a technical correction as proposed by both the House and the Senate.

The conferees understand that the Department has allocated an additional $1,364,750,000 for concentration grants and the additional resources made available by this supplemental appropriations act shall take effect as if included in Public Law 106–554 on the date of enactment.

The conference agreement includes a provision requiring Impact Aid construction funds to be distributed in accordance with the State plans outlined in section 808 of the Impact Aid program as that section existed in fiscal year 2000 as proposed by both the House and Senate.

GENERAL PROVISIONS—THIS CHAPTER

Section 2701. The conference agreement includes a provision clarifying the intent of the Congress with regard to funding provided pursuant to section 117 of the Carl D. Perkins Vocational and Technical Education Act of 1998 as proposed by the Senate. Funding available for this section is intended to be provided only to tribal colleges that do not receive Federal support under the Tribally Controlled Community College or University Assistance Act of 1978 or the Navajo Community College Act and whose primary purpose is to provide full-time technical and vocational educational programs to American Indian students. The House bill contained no similar provision.

Section 2702. The conference agreement includes a provision authorizing the use of fiscal year 2001 funds specifically for transition from the use of analog to digital technology for the provision of public broadcasting services for fiscal year 2001. The Senate bill included language amending the statute to establish a grant program and included two-year authorization of appropriations for the grant program. The House bill contained no similar provision.

Section 2703. The conference agreement includes a provision proposed by the Senate which makes a permanent change to section 8003 of the elementary and Secondary Education Act to clarify which small school districts are eligible for special payments authorized within the basic support payments program. The conference agreement includes a provision proposed by the Senate stating that this change shall apply to funding in the fiscal year 2001 Elementary and Secondary Education Appropriations Act. The House bill contained no similar provision.

These provisions will change the fiscal year 2001 allocations under the basic support payment program of Impact Aid, resulting in some school districts receiving less than they were expecting to receive in fiscal year 2001 funds. The conferees note that the National Association of Federally Impacted Schools supports the adoption of this provision.

The conferees became aware that certain State and district per pupil expenditure data limitations made some of the intended beneficiary districts ineligible for the special payments provisions of the Impact Aid reauthorization bill enacted into law last year. While the appropriation for basic support payments in the Department of Education Appropriations Act, 2001 assumed funding for these payments, the initial payment calculations made for school districts did not. As a result, approximately $2,900,000 set aside for payments to eligible districts was included in the calculation for distribution to non-eligible districts. The conferees intend to make an additional $2,900,000 available in the fiscal year 2002 education appropriations bill to offset the effect of this amendment.
CHAPTER 8
LEGISLATIVE BRANCH
CONGRESSIONAL OPERATIONS
HOUSE OF REPRESENTATIVES
PAYMENTS TO WIDOWS AND HEIRS OF DECEASED
MEMBERS OF CONGRESS

The conference agreement provides the traditional death gratuity for the widow of Norman Sisisky, late a Representative from the Commonwealth of Virginia, and the heir of John Joseph Moakley, late a Representative from the Commonwealth of Massachusetts.

SALARIES AND EXPENSES
MEMBER'S REPRESENTATIONAL ALLOWANCES, STANDING COMMITTEES, SPECIAL AND SELECT, COMMITTEE ON APPROPRIATIONS, ALLOWANCES AND EXPENSES

The conference agreement provides an additional $414,000 for Members' Representational Allowances, standing committees, special and select, the Committee on Appropriations, and allowances and expenses.

SALARIES, OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

The conference agreement provides an additional $35,000 to the Office of Compliance for salaries and expenses for the Office of the Clerk and the Office of the Chief Administrative Officer totaling $17,448,000.

ADMINISTRATIVE PROVISION
Language is included increasing the Clerk of the House's representational allowance for fiscal year 2001.

JOINT ITEMS
CAPITOL POLICE BOARD
CAPITOL POLICE
SALARIES

The conference agreement provides an additional $35,000 for salaries for anticipated extraordinary events.

GENERAL EXPENSES

The conference agreement provides an additional $349,000 for general expenses related to anticipated extraordinary events.

ADMINISTRATIVE PROVISION

The conference agreement includes a provision allowing the Capitol Police to be reimbursed for enforcement assistance from any Federal, State, or local government agency (including the District of Columbia).

OFFICE OF COMPLIANCE
SALARIES AND EXPENSES

The conference agreement provides an additional $35,000 to the Office of Compliance for unexpected requests for counseling and mediation services.

ARCHITECT OF THE CAPITOL

The conferences support the proposed Senate language regarding a general management review of the Architect of the Capitol (AOC) operations. This management review should include an overall assessment of the agency's organizational structure, strategic planning, skills, staffing, systems, accountability reporting, and execution of its statutory and assigned responsibilities. The conferences direct that the General Accounting Office (GAO) lead this review, in consultation and coordination with the Architect of the Capitol, building upon earlier management reviews, and consider best practices in its evaluation and recommendations. The GAO report should include recommendations for enhancing the overall effectiveness and efficiency of the AOC operations along with recommendations as to how to implement such improvements. GAO should report the results of its review to the House and Senate Committees on Appropriations and the Senate Committee on Rules and Administration no later than April 2002.

GOVERNMENT PRINTING OFFICE
CONGRESSIONAL PRINTING AND BINDING

The conference agreement provides $9,000,000 to fund a shortfall based on increased volume of printing and publications and associated information products and services ordered by the Congress during fiscal year 2000 and 2001.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The conference agreement provides $8,000,000 for the library's air-conditioned and lighting systems at the Government Printing Office.

LIBRARY OF CONGRESS
SALARIES AND EXPENSES

The conference agreement provides $600,000 for a joint Library of Congress/United States Military Academy telecommunications project.

GENERAL PROVISIONS
Sec. 2803. A general provision authorizing one consultant for the President pro tempore emeritus is included.

Sec. 2804. A general provision has been included relating to the Abraham Lincoln Bicentennial Commission Act.

Sec. 2805. A general provision permitting the Architect of the Capitol to reimburse the Department of the Treasury for prior year water and sewer services is included.

Sec. 2806. A general provision is included relating to the membership of the Senate to the Joint Economic Committee.

CHAPTER 9
DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY
RENTAL PAYMENTS

The conference agreement includes a rescission of $490,000 in balances for rental payments to the General Service Administration. These funds have remained unobligated for many years, and can be made available at this time for other pressing needs.

COAST GUARD
OPERATING EXPENSES

The conference agreement includes $92,000,000 for Coast Guard operating expenses, as proposed by the House and Senate. The agreement makes such funds available until September 30, 2002, as proposed by the House, instead of September 30, 2001 as proposed by the Senate.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

The conference agreement includes $4,000,000, available until expended, for the repair or relocation of Coast Guard facilities damaged during the Nisqually earthquake in the State of Washington, as proposed by the Senate. The House bill contained no similar appropriation.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS (RESCISION)

The conference agreement includes rescissions of balances in “Acquisition, construction, and improvements” totaling $12,000,000. These rescissions are shown below:

- Department of Transportation and Related Agencies Appropriations Act, 2000 (Public Law 106-69):
  - HH-65 helicopter kapon wiring $2,856,000

- Department of Transportation and Related Agencies Appropriations Act, 2001 (Public Law 106-346):
  - PC-170 $850,000
  - 97 foot WPB replacement $1,176,000
  - Total $9,794,000

- Federal Aviation Administration Grants-in-aid for Airports (Airport and Airway Trust Fund) (Rescission of Contract Authorization)

The conference agreement includes a $30,000,000 rescission of contract authority as proposed by the House and Senate. Because these funds are above the annual limitation on obligations, the rescission will have no effect on current program activities.

FEDERAL HIGHWAY ADMINISTRATION EMERGENCY HIGHWAY RESTORATION (HIGHWAY TRUST FUND)

The conference agreement includes an appropriation from the Highway Trust Fund of $37,650,000, to remain available until expended, for emergency highway restoration and related activities. These funds shall be distributed as follows:

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaskan Way Viaduct, Seattle, WA</td>
<td>$3,800,000</td>
</tr>
<tr>
<td>Magnolia Bridge, Seattle, WA</td>
<td>9,000,000</td>
</tr>
<tr>
<td>U.S. 119 over Pine Mountain, Letcher County, KY</td>
<td>9,100,000</td>
</tr>
<tr>
<td>Lake Street Access to I-35 West, Minneapolis, MN</td>
<td>4,700,000</td>
</tr>
<tr>
<td>Interstate 55 interchange, Weber Road and River Des Peres, MO</td>
<td>500,000</td>
</tr>
<tr>
<td>Highway damage due to tornado, flooding, &amp; erosion in northwest Wisconsin, including Bayfield and Douglas counties</td>
<td>500,000</td>
</tr>
</tbody>
</table>

The Senate bill included an appropriation from the general fund of $12,800,000, to remain available until expended, for the long-term restoration or replacement of the Alaskan Way Viaduct and Magnolia Bridge in Seattle, Washington, which were recently damaged during the Nisqually earthquake. The House bill contained no similar appropriation.

P.L. 119, Letcher County, KY—The conference agreement provides $9,100,000 to the Commonwealth of Kentucky for safety improvements to U.S. 119 in Letcher County, Kentucky. U.S. 119 is a major commercial artery on the National Highway System in eastern Kentucky. A section of this road has been the site of several major accidents in recent years, including an accident involving a school bus six months ago. The Commonwealth of Kentucky recently prohibited use of the roadway by large commercial vehicles, which the state determined cannot safely negotiate several narrow sections of the highway. The state’s action, while necessary, will disrupt commerce in this region, impacting businesses and families. The funds provided will allow the state to immediately implement major safety improvements that must...
CHAPTER 10
DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

The conference agrees to provide $59,956,000 to reimburse any agency of the Department of the Treasury or other Federal agency for costs associated with providing operational and perimeter security at the 2002 Winter Olympics, as proposed by the Senate. The conferees expect that this funding will be provided to the following agencies, as shown in the following table: this funding may be made subject to the standard reprogramming and transfer guidelines:

Agency/Department  Recommendation
Government Accountability Office   $1,052,000
Bureau of Alcohol, Tobacco, and Firearms   13,813,000
U.S. Customs Service   4,931,000
Internal Revenue Service, Tax Law Enforcement   2,729,000
Treasury Inspector General for Tax Administration   40,000
Department of Agriculture   334,000
U.S. Forest Service   1,300,000
Department of Interior   312,000
U.S. Bureau of Land Management   195,000
U.S. Fish and Wildlife Service   4,891,000
Total   59,956,000

FINANCIAL MANAGEMENT SERVICE
SALARIES AND EXPENSES

The conference agrees to provide $49,576,000 for the Financial Management Service, the same amount as proposed by both the House and the Senate. The conference direct the Financial Management Service to provide a detailed report on the expenditures made pursuant to this appropriation 120 days after the enactment of this Act.

INTERNAL REVENUE SERVICE
PROCESSING, ASSISTANCE AND MANAGEMENT

The conference agrees to provide $66,200,000 for the Internal Revenue Service, the same amount as proposed by both the House and the Senate. The conference direct the Internal Revenue Service to provide a detailed report on the expenditures made pursuant to this appropriation 120 days after the enactment of this Act.

INDEPENDENT AGENCIES

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

FEDERAL PAYMENT TO MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

The conference agrees to include a provision, modified from the Senate position, for the Federal Payment to Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation account to permit the transfer of up to $1,000,000 for necessary expenses incurred pursuant to section 6(7) of the Morris K. Udall Scholarship and Excellence in National Environmental Policy Act of 1992 (20 U.S.C. 6566(7)). The House had no similar provision.

GENERAL PROVISIONS THIS CHAPTER

Section 21001. The conference agrees to include a provision designating a building as the Paul Coverdell Building as proposed by the Senate. The House had no similar provision.

Section 20002. The conference agrees to include a provision rescinding $18,000,000 in funds previously made available to the Internal Revenue Service, Tax Law Enforcement, and the Earned Income Tax Credit Compliance Initiative.

CHAPTER 11
DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION
COMPENSATION AND VETERANS' PENSIONS

The conference recommends an additional $389,413,000 for compensation and pension payments to eligible veterans. Supplemental funds are needed in fiscal year 2001 in order to meet cost of living adjustments to program enhancements and benefits contained in legislation enacted after passage of the fiscal year 2001 appropriations bill, but the conferees do not identify specific funding levels for each benefit or authorization.

READJUSTMENT BENEFITS

The conference recommends an additional $347,000,000 to meet Montgomery GI Bill benefits contained in legislation enacted after passage of the fiscal year 2001 appropriations bill.

VETERANS HEALTH ADMINISTRATION
MEDICAL AND PROSTHETIC RESEARCH

The conference included House bill language increasing the current fiscal year 2001 travel limitation from $2,500,000 to $3,500,000. The Senate did not include bill language.

DEPARTMENTAL ADMINISTRATION
GENERAL OPERATING EXPENSES

The conference recommends bill language proposed by the Senate, allowing more than $19,000,000 to be transferred from the Medical Care account to General Operating Expenses by September 30, 2001, for the administrative expenses of processing claims. The House did not include a time limitation for the fund transfer. The new fiscal year 2001 GOE travel limitation remains at $17,500,000.
draw-down on funds made by the Treasury, amount already paid by the Cemetery, included a provision directing the Department of the Treasury to make a technical change to extend the availability of funds appropriated under this account in Public Law 106–377. The House bill included similar language as a general provision.

Language is included clarifying Congressional intent with respect to appropriations made to improve cyber-districts in Massachusetts and for wastewater and combined sewer overflow infrastructure improvements in Massachusetts, as recommended in the House bill; and for appropriations made for Rocky Arriba County, New Mexico, as recommended in the Senate bill. The conferees have amended language as proposed by the House which clarifies the intent of Congress with respect to a grant made for construction at a New Jersey university center and with respect to a grant made to the City of Syracuse, New York.

HOUSING PROGRAMS

MANUFACTURED HOUSING FEES TRUST FUND

The conference agreement does not include language proposed in the House bill authorizing the expenditure of fees available in the fund. The conferees understand that separate legislation has been enacted to allow for the expenditure of these fees in fiscal year 2001. The Senate bill did not address this matter.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

The conference agreement includes language authorizing the Department to use $8,000,000 from within existing fiscal year 2001 appropriations for FHA administrative expenses and HUD salaries and expenses to pay the obligation and accrued interest resulting from a probable fiscal year 2000 violation of the Anti-Deficiency Act, as proposed in both Senate bills.

FHA—GENERAL AND SPECIAL RISK INSURANCE

The conference agreement does not include an additional appropriation for this account as proposed in the House bill. Language is not included to remove certain requirements on supplemental funds provided for this account in fiscal year 2000 as proposed in the Senate bill.

INDEPENDENT AGENCIES

DEPARTMENT OF DEFENSE—CIVIL

Cemeterial Expenses, Army

Salaries and expenses

The conferees have amended the language included in the House bill providing $245,059 for the maintenance of the Cemetery's disputed water district with the District of Columbia. Instead, the conferees have included a provision directing the Department of Defense to pay the disputed water bill in excess of the amount paid by the Cemetery and reimburse the Cemetery for any draw-down on funds made by the Treasurer in excess of the Cemetery's current payment.

ENVIRONMENTAL PROTECTION AGENCY

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

The conferees have amended language proposed in the House bill that would have increased the obligation authority for the year from Public Law 106–377 to the Salt Lake Organizing Committee for environmental work related to the 2002 Winter Olympic Games.

STATE AND TRIBAL ASSISTANCE GRANTS

The conferees have included language proposed by the House and the Senate clarifying the intent of Congress with respect to a grant made to the City of Beloit, Wisconsin. The conferees have similarly included language proposed by the House which clarifies the intent of Congress with respect to grants made to Hartselle Utilities in Alabama and to the Limestone County Water and Sewer Authority in Alabama, and to the City of Clinton, Tennessee.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

The conferees agree to make no changes to the FEMA Disaster Relief account for fiscal year 2001. The House had proposed a rescission of $398,200,000 and the Senate had proposed a rescission of $5,000,000 for this account. The conferees agree that recent significant natural disasters, including tropical storm Allison, have severely depleted funds previously provided for disaster relief. The conferees note that the status of the disaster relief fund today is quite different from the status at the time the House originally proposed its rescission. At that time over $2,000,000,000 was available, but today only about $800,000,000 is available. With significant costs yet to be covered, it is clear that funding this account is not any longer possible. Likewise, it is not clear that an eminent need exists for additional funding and the conference agreement includes no additional funding in fiscal year 2001.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

The conferees have agreed to make changes in language enacted as part of Public Law 106–74 (the Fiscal Year 2000 VA-HUD-Independent Agencies Appropriations Act) as proposed by the Senate instead of the changes proposed by the House. The final proviso under this heading in Public Law 106–74 restricts the use of $40,000,000 to the shuttle research mission, commonly referred to as the K–2 mission, to occur after the STS–107 shuttle research mission. Subsequent events have increased the cost of STS–107 and significantly delayed any future research mission, resulting in a need for additional funding prior to the funds expiring on September 30, 2001. The House had proposed deletion of the final proviso under this heading in Public Law 106–74. The Senate had proposed this fund be used for other purposes. The House provision also included language restricting a portion of the funds to research associated with the International Space Station. The Senate provision also provided the proviso to allow the funds to be used for purposes other than originally intended and does not include any reference to the International Space Station research.

The conferees agree that the original direction included in the proviso is no longer valid. The conferees agree that $32,000,000–$35,000,000 of the funds provided in the original proviso remain available. The conferees agree that $17,000,000 of the funds shall be to cover cost increases associated with the STS–107 mission which have already been incurred and the funding can be legitimately expended prior to September 30, 2001. The conferees agree that the $15,000,000 remaining funds be included in the fiscal year 2001 budget. Because its launch has been delayed due to the need for expensive repairs to the shuttle Columbia's wiring and schedule changes associated with the Hubble servicing mission. The remaining funds shall be used prior to September 30, 2001 for any projects or activities NASA deems to be in legitimate need of funding. The conferees further agree that NASA is to take all necessary action to ensure that the STS–107 research mission is accomplished and contractual obligations are met during fiscal years 2001 and 2002 in order to provide the Committees on Appropriations a full accounting of the use of the fiscal year 2000 funding and the subsequent fiscal year accounting adjustments to reflect full funding of the STS–107 mission prior to its launch currently scheduled for May 2002.

The conferees understand work is already underway and internationally partners are involved in research scheduled for R2 and therefore expect NASA to continue to pursue options for carrying out this life and microgravity research as well as work to increase research funding and flight opportunities during ISS assembly.

GENERAL PROVISION

The conference agreement does not include section 2901, recommended in the House bill, as this matter has been addressed under the Community development fund account as recommended in the Senate bill.

TITLE I

GENERAL PROVISIONS—THIS ACT

The conference agreement includes a provision as proposed by both the House and Senate that limits the availability of funds provided in this Act.

The conference agreement deletes a provision proposed by the House relating to the Buy American Act. The Senate bill contained no similar provision.

The conference agreement includes an appropriation of $1,700,000 for the United States-China Security Review Commission, as proposed by the Senate. The House bill contained no similar provision.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2001 recommended by the Committee of Conference, with comparisons to the fiscal year 2001 budget estimates, and the House and Senate bills for 2001 follow:

<table>
<thead>
<tr>
<th>(In thousands of dollars)</th>
<th>Budget estimates of new (obligational) authority, fiscal year 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7,480,186</td>
<td>House bill, fiscal year 2001</td>
</tr>
<tr>
<td>7,481,283</td>
<td>Senate bill, fiscal year 2001</td>
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<tr>
<td>7,479,980</td>
<td>Conference agreement, fiscal year 2001</td>
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Conference agreement compared with:

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<td>7,479,980</td>
<td>Conference agreement, fiscal year 2001</td>
</tr>
</tbody>
</table>

Conference agreement compared with:

House bill, fiscal year 2001 ... 1,097
Mr. THOMAS. Mr. Speaker, pursuant to the unanimous consent agreement of July 17, I call up the joint resolution (H.J. Res. 50) disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to the People's Republic of China. Unfortunately, the date sequences leave us with an open period of time in which this annual renewal is necessary.

In order to support the United States government’s decision based upon the bilateral negotiated treaty with China, I urge all Members to oppose H.J. Res. 50.

Mr. Speaker, I rise in strong opposition to H.J. Res. 50, which would cut-off normal trade relations with China. This resolution is terribly short-sighted toward Chinese reforms and the hard-fought gains of American consumers, workers, and exporters, given how close China is to accepting the comprehensive trade disciplines of WTO membership.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume, and I rise in strong opposition to House Joint Resolution 50, which would cut off normal trade relations with China. Let us not turn our backs on the gains our negotiators have made with China for America’s farmers, businesses, and consumers. Instead, let us all give capitalism a true chance in China.

I urge a “no” vote on H.J. Res. 50.

Mr. Speaker, I reserve the balance of my time.
trade relations to China. For instance, in May, 2000, Motorola ran a full-page ad in Roll Call and had a picture of the Motorola logo. They honestly did not carry, and it said, "If we do not sell products to China, someone else will."

They contended in their ad that, of course, these phones were made by Motorola. They falsely said that this would mean China's markets would not be open to U.S. exports. Well, less than a year after the enactment, Motorola shut down its only U.S. manufacturing plant and moved the manufacturing jobs to China. There are many, many anecdotes to that. We just sold out too cheap.

The argument, if we do not sell products to China, China will sell them to us, that is the argument that Motorola should have used.

They promised with respect to human rights which they have not kept. They have made promises with respect to human rights which they have not kept. And we, like a bunch of chumps, have bought into that argument and allowed China to run roughshod over human rights, over American dignity, over American jobs.

Mr. Speaker, I would urge my colleagues to support this resolution, to end this charade that these people are doing anything that would help America or that they voluntarily will increase human rights on their part.

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

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the remainder of my time be controlled by the gentleman from Illinois (Mr. CRANE).

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition. I do not really look upon this as an exercise in futility. It is an exercise that would have some true irony if this resolution were to pass because, as we know, China has now essentially finished its negotiations with all of the countries, save one perhaps, and with the WTO except for a few outstanding issues. Its accession is now essentially completed.

If this resolution were to pass, we would withdraw NTR for a few months and then it would go into effect upon the formal accession of China. So, in that sense, any passage of this would be not only be radical but probably counterproductive. In that sense, maybe it is futile.

I think we should look upon this discussion as an opportunity to assess where matters are since we voted for PNTR.

In a word, I would say that it is a mixture of changing and staying the same. There has been continuing change in China. It has continued to move away from a state-dominated economy towards a free-market economy. That has been true in industrial areas and on the Internet. We also have seen the beginnings of cracks in their legal system that has been so dominated by the state. For the first time, we are seeing some successful suits by workers and individuals to redress grievances.

It is said soon China will be acceding to the WTO, and that I think everybody would agree is likely to accelerate change. Indeed, one of the issues is how China is going to handle these changes.

But in many other respects China has stayed the same. Anyone who thinks increased trade is a panacea that will bring about all kinds of changes in the near future, I think those people are wrong. I think we have seen in the last few years continued transgressions on the part of human rights in China, Falun Gong, the repression of Tibet and other ethnic minorities and the grievous detention of scholars and American citizens.

We have also witnessed some security issues, including the downing of our airplane. These are troubling issues, and they continue to be. So I think the events of the last year fortify the approach that was taken last year, and that is to combine engagement with China that I think is truly unavoidable in view of its size, its importance, and also the need to pressure China, indeed at times to confront, to engage and to pressure.

Last year, the legislation had some provisions relating to engagement. They also did so in terms of pressure. We set up a congressional executive commission. I think that now all of the members have been named. There will be one change in the Senate, I think that within the next weeks, if not few days, that important commission will become operational. It will work on issues of human rights, including worker rights, be an active force to pressure China to move in the right direction.

It did not like our creation of that commission, and I think that commission will fulfill its obligations.

We asked in that legislation that there be an annual review of China's performance within the WTO. Many were skeptical that could be achieved, but it has been through the negotiations by USTR. We also inserted an anti-surge provision in the legislation that was the strongest inserted into legislation in American history, and that is there as a pressure point.

So, in that sense, we need to continue the path that we have set, one of active engagement, but also of vigorous alertness and pressure. So, therefore, I oppose this resolution, not only because we would be withdrawing NTR only for it to go back into operation in a few months but because I think on balance the appropriate course is one of continuing engagement and also of vigorous pressure.

Mr. Speaker, I think this is the best path to follow, not an easy one, but the only one that is most likely to lead to greater change. Indeed, one of the issues of human rights, including working conditions in China, labor, the near slave labor in China and despite previous Presidential waivers, the Communist Chinese have used their $80 billion that they have in annual trade surplus with the United States to modernize their military and boost their nuclear forces which target American cities. In other words, they are using the $80 billion trade surplus that we are permitting. We are approving rules of engagement in terms of our economic relationship. They use that $80 billion to buy technology to kill Americans. That is absurd, that we allow them to do this.

We have in our economic relationship. They use the rules of engagement in terms of our economic relationship. They use China to move in the right direction.

We have held this debate last year, and despite previous Presidential waivers, the Communist Chinese have used their $80 billion that they have in annual trade surplus with the United States to modernize their military and boost their nuclear forces which target American cities. In other words, they are using the $80 billion trade surplus that we are permitting. We are approving rules of engagement in terms of our economic relationship. They use that $80 billion to buy technology to kill Americans. That is absurd, that we should continue in this type of relationship.

Mr. Speaker, many people are going to suggest that this is in some way beneficial to the people of the United States. There is no doubt that the China trade is beneficial to a very few people in the United States, a few billionaires who are able to exploit the labor, the near slave labor in China and thus do not have to put up with unions or regulations in the United States of America. So, yes, it is beneficial for them, but it is not beneficial for the people of the United States of America.

What is it then that propels this vote on normal trade relations? Why is it that we always have this vote, and those of us who are against normal trade relations with Communist China always lose. Well, it is because we have these people who have great wealth and power who are exercising their influence on this body and with the public to try to pressure to continue going down this road even though every road sign says, "Turn back." Mr. Speaker, we will hear during this debate over and over again, mark my words, we will hear people say we have got to have normal trade relations with China in order to exploit the world's biggest market in order to sell American products.

Let me repeat this two or three times. That is not what normal trade
Mr. CRANE. Mr. Speaker, I yield ½ minutes to the gentleman from Florida (Mr. KELLER).

Mr. KELLER. I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in opposition to House Joint Resolution 50, which attempts to disapprove normal trade relations with China. It is clearly in our country's best interest to open up China's market of more than 1.2 billion potential customers. Our markets are already open to China. We need normalized trade relations to further open up their markets to us.

And we are moving in the right direction. Twelve years ago, the images we saw from China were of students standing in front of tanks. Now the images we see on our TV screens are of students standing in front of Internet cafes and McDonalds. There are several Wal-Mart stores that have recently opened up in China. U.S. exports to China have increased by $4 billion over the last 5 years, with a 24 percent increase last year alone as a result of normal trade relations.

Some folks who want to put an end to our trading relationship with China point out that they have a less than satisfactory record on human rights. I agree. But I also agree with President Bush that maintaining normal trade relations with China is our best hope for improving their record in terms of human rights. I think President Bush did a great job in securing the safe return of 24 brave servicemen and women from China after the surveillance plane incident.

Looking forward, we can make a positive impact by engaging in constructive dialogue with China, exporting more Bibles to China, opening up their minds about democracy through the Internet, and other things. I urge my colleagues to vote "no" on this resolution.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, I rise today in support of the resolution to disapprove MFN status for the People's Republic of China. I recognize this is likely a symbolic action. The issue was raised last year when Congress approved PNTR for the People's Republic.

I voted to support normal trade status as it was an essential step towards inclusion of China in the WTO and mainstream of international trade. As a part of the bilateral agreement between China and the United States, once China joins the WTO we will have achieved significant concessions from China in our trade arrangements. We will also have a permanent human rights monitoring of China. But to date, China has not become part of the WTO and standing on its own, using human rights as the test, particularly reviewing China's record during the past 12 months, China is not entitled to MFN status.

I view this vote as a signal to the leaders of the Chinese Communist Party that their actions in numerous areas, but most particularly in the area of human rights, are unacceptable internationally.

Mr. Speaker, let me just quote from the report of our own State Department on human rights practices in China:

"The government’s poor human rights record worsened, and it continued to commit numerous serious abuses. The government’s respect for religious freedom deteriorated markedly during the year, as the government conducted crackdowns against Christian groups, etcetera. Abuses included instances of extrajudicial killings, the use of torture, forced confessions. The government severely restricted freedom of assembly and continued to restrict freedom of association. Violence against women, including coercive family planning practices which sometimes include forced abortion and forced sterilization."

Mr. Speaker, the report goes on and on about the human rights violations of China. Jackson-Vanik speaks to our Nation that we believe that human rights are an important part of normal trade with our Nation. Based upon the record during the past 12 months, China does not deserve normal trade relations; and we should approve the resolution.

Mr. STARK. Mr. Speaker, I yield the balance of my time to the gentleman from Ohio (Mr. BROWN) and ask unanimous consent to have printed in the Record his full text of his remarks.

Mr. Speaker, we have to recognize that there are powerful forces at work in this country and they are profiting from what, from a tax subsidy from our taxpayers to give them the type of loan guarantees that they cannot get from private banks.

This has nothing to do with free trade. It has nothing to do with selling American products in China. It has everything to do with subsidizing and guaranteeing big businessmen who cannot get their loans guaranteed in the private sector because it is too risky to go and set up factories in China.

That is what this vote is about. I would urge my colleagues to support our position and to reject the Jackson-Vanik waiver for trade with China.

Mr. Speaker, I reserve the balance of my time.
Albright was correct when she said that engagement with China is not endorsement. And having an opportunity to work three times in its markets, that is one that is part of the World Trade Organization, that is opportunistically working to open its markets with us and is also able to be subject to the adjudication of the World Trade Organization is somebody that I think is necessarily part of the world market. We have an opportunity to know that in this connection, trade is not always about economic and political freedom, but it certainly will help us to get to a place where China can move toward improving its human rights, and that is a very important opportunity for the working families of my district in California.

Mr. Speaker, normal trade relations with China is good for businesses and for working families. I urge my colleagues to oppose the resolution disapproving normal trade relations with China because exposing the Chinese people to economic and political freedom is the best way to encourage change in that country.

Mr. ROHRABACHER. Mr. Speaker, I yield 2 minutes to the gentleman from South Carolina (Mr. GRAHAM), a man who knows we should not be subsidizing American investment in China.

Mr. GRAHAM. Mr. Speaker, I thank the gentleman for yielding me this time; and I thank the gentleman from California (Mr. ROHRABACHER) for always keeping our eyes focused. It is funny what people see when they look at countries or events. When we look to China, we see a quick buck. That is what we look at.

What did the students in Tiananmen Square see when they looked at America? They saw the Statue of Liberty. When you come into my office, the first thing you will see is the young man standing in front of the two tanks. He is dead.

We debate faith-based initiatives today when religious organizations ought to have in our public life, and we jealously guard separation of church and state. What do they do in China? They will kill you if you step out of line.

We debate passionately a woman's right to choose. There is no debate in this country about the government forcing somebody to have an abortion, but that is the norm in China. When you talk about normal relations, you better understand who you are talking about.

Slave labor. We debate worker safety, environmental protections; and we have different views. But nobody in this House would allow one American to live like the Chinese people live under Communist tyranny.

Time Magazine, not my favorite magazine, is banned in China. It is banned in China because they wrote something the Communist Chinese dictators did not like.

Trade with China. You show me one agreement ever made with them, and I will tell you how they cheat. They are destroying the textile industry because they cheat.

If during the Reagan years we had done with the former Soviet Union what we are doing with China, communism would still be alive and well because we would give the Communist dictators in the former Soviet Union the money to stay in business. The money going to China does not go to the people. It goes to their government.

What is a normal relationship with China? The normal day-to-day operations in China should make most Americans feel ashamed that we are doing business with them.

Mr. CRANE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. DREIER).

Mr. DREIER. I thank the gentleman for yielding me this time.

Mr. Speaker, this is probably the last time that the United States Congress will engage in what has become known as the annual ritual of debating normal trade relations with China. No matter what side of this trade debate you are on, you cannot deny that China is rapidly emerging as a nation. They are already a regional power in Asia, and they have the capability to be a world player. This is not a value statement; it is clearly a fact.

Another fact, and one that I have asserted many times over the years, is that market reform is a powerful force for positive change in China. As it develops economically, a massive class of better educated, wealthier Chinese people is emerging; people empowered not through politics and the ballot box but increasingly empowered through property rights and information technology. This is China's entrepreneurial class.

We all recognize that the Chinese government does not share our values. The people who make up China's entrepreneurial class increasingly should share our values, but they often do not. The disturbing reality is that we appear to be losing the hearts and minds of the Chinese people.

Now, there is no question that many Chinese leaders do not like America and the values that it embodies. But we need a national policy toward China that is able to penetrate through the haze of the Chinese information minister and make it clear to the people of China that the people of the United States are their friends. The vast majority of the 1.3 billion people in China share the hopes and dreams that we hold. They want good jobs, strong families, and a peaceful future. The desire for life, liberty, and the pursuit of happiness may have been penned by an American, but there is no reason to believe that the dream does not extend to people in China or anywhere else. That is why America has been a symbol for freedom and human freedom for over 200 years.

That is also why we must be committed to ensuring that the average Chinese family does not believe that America stands in the way of those basic goals. In short, we need to stand up to the Chinese government for freedom in ways that do not put us on the wrong side of the Chinese people.

Mr. Speaker, the House is going to reject this resolution of disapproval because ending trade with China is bad for the American people and it is bad for the Chinese people. We may not need to go through this exercise again, but we should be thinking about how to build ties to the emerging Chinese entrepreneurial class. Winning the trade fight but losing the hearts and minds of those in China who should be America's friends may very well prove to be a Pyrrhic victory.

For the people of the United States and the people of China, vote "no" on this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. PELOSI) who believes that this Congress should quit rewarding China for its human rights violations, for its political oppression, and for its persecution of religious figures.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership on this important issue.

I just want to pick up where my colleague from California left off, and, that is, he said ending trade with China. Speaking that way is a grave disservice to this debate. Nobody here is talking about ending trade with China. What we are saying is that our trade with any country should promote our values, promote our economy through promoting our exports and make the people freer. Our trade relationship with China falls on all three points.

I had hoped that this debate would not even be necessary. Last year when PNTR was passed, it was said it was necessary for us to do our part of the bargain so that China would come into the WTO and start complying with international trade rules.

Here we are again, 1 year later. Frankly, I think you should all be very embarrassed. You promised if we did that, they would be in. But, then again, you have been saying since 1989, when we first started this debate, that if we gave China most-favored-nation status, we promised its name changed to protect the guilty, if we gave them PNTR, or NTR, or whatever you want to call it, that human rights, that the trade advantage would improve for us, and that
they would stop the proliferation of weapons of mass destruction, three areas of concern.

Well, bad news again. The news is bad on every score. When we first started this debate in 1989, the trade deficit with China was $2 billion a year. My, my, my, we thought that gave us leverage, $2 billion a year. The annual renewal, this policy that is in place that was going to improve our trade relationship, that deficit is projected to be $100 billion for this year. Not $2 billion a year, but $2 billion a week. On the basis of trade alone, this is a bad deal for the U.S.

Intellectual property is supposed to be our competitive advantage. The International Intellectual Property Alliance reports that piracy rates in China continue to hover at the 90 percent level, an alarming increase in the production of pirate optical media products, including DVDs by licensed, as well as underground, CD plants. I will submit the full report in the record. Growing Internet piracy, growing production of higher-quality counterfeit products, and respective uses of unauthorized copies of software in government enterprises and ministries.

The Bush administration report on agriculture is very bad. It says that the anticipated access for agricultural products has not been seen. So that was the big thing we held out last year. If you vote for this, our products will get into China. The access is just not there.

On proliferation, China continues to proliferate weapons of mass destruction to rogue states, which we have now changed the name to “countries of concern,” and to unsafe guarded states like Pakistan, North Korea, Iran, Iraq, Syria and Libya, making the world a less safe place.

On the question of human rights, we were told if we gave China most-favored-nation status, human rights would improve. The brutal occupation of Tibet continues. The human rights violations continue and are worsened. If you are a political dissident in China, you are either in jail or in exile.

So I say to my colleagues, if we are standing here again next year, shame on us. I think we should finesse this issue. Next year we have to examine this policy closer.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I rise to oppose this resolution. That normal trade relations with China has been supported by every single President of the United States, Republican and Democratic alike, since 1980. By continuing normal trade relations with China, we are neither providing China special treatment, nor are we endorsing China’s policies. The United States is the only major country that does not extend permanent normal trade relations with China. China is also the world’s largest economy that is not subject to the World Trade Organization’s trade liberalization requirements.

The vast majority of Members voted to grant PNTR status to China last year. This action is critical to advancing China’s accession to the WTO, which will bring the Chinese into a rules-based trading system. It would also enable U.S. consumers and businesses to gain access to the broadest range of goods and services from China at the lowest cost. Restricting trade will only force our consumers to pay higher prices.

Continuing normal trade relations with China serves our best economic interests. Approximately 200,000 U.S. jobs are tied directly to U.S. exports to China. Without this relationship, we would be placing American firms at a severe competitive disadvantage. American companies are setting an example in China. They are offering good jobs, fair pay, environment, and strong worker protections.

While I share the concerns expressed by many of our colleagues regarding human rights abuses in China, disregarding China’s accession to the WTO will not improve human rights in China. Instead of isolating China, we should be exposing the Chinese people to Western ideas and the rule of law.

Bringing China into the global free enterprise system will shine a much-needed light on its government. Last week’s decision by the International Olympic Committee to award China the bid for the 2008 games will put more pressure on the Chinese leadership to prove it is worthy of the designation and the international attention.

Promoting normal trade and continued economic engagement over time will help open up the economy and change the society. The way we engage the Chinese Government will help determine whether China assimilates into the community of nations or becomes more isolated and unpredictable. By revoking normal trade relations, we would be standing alone on a trade policy that neither our allies nor trade competitors would follow. Our competitors would gain an advantage, consumers would pay higher retail prices, the Chinese people would suffer, and economic and political reform in China would be arrested.

In short, we have much to lose and little to gain by failing to continue our current trading relationship with China. We should support this resolution, and we should support continuing normal trade relations with China.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Ohio (Mr. TRAFICANT), who knows it is not right for U.S. taxpayers to subsidize businesses to close up here and set up shop on the mainland of China.

Mr. TRAFICANT. Mr. Speaker, let us get to the point: China is a communist dictatorship. China has threatened Taiwan, and even Los Angeles. As we speak, China is shipping arms to Cuba. China has just signed an agreement with Russia. China held 24 Americans hostage, no matter how you want to spin it, China stole our secrets. China just recently illegally bought U.S. microchips to make more missiles. China already, according to the Pentagon, has missiles aimed at American cities. Hey, China is on record, according to the Pentagon, as referring to Uncle Sam as imperialist and, quote-unquote, “the enemy.”

Now, if that is not enough to spoil your stir-fry, China is taking $100 billion in trade surplus a year out of America. And we might laugh, but I believe that the Congress of the United States, with American taxpayer dollars, is funding World War III. World War III.

A dragon does not negotiate with its prey. A dragon kills its prey. When are we going to wise up around here? China’s record speaks for itself.

My God, even the Pentagon bought the black berets from China. On the Mall, the symphony was performing on Independence Day, and vendors were passing out plastic Old Glories made in China.

The last I heard, we were referred to around the world as Uncle Sam. So help me, God, the way we are acting, the world is beginning to look at America as Uncle Sucker.

I will have no part of this. There is an old saying: “Better dead than red.” This is a communist dictatorship. I want to give credit to former President Reagan, who crippled and dismantled communism, brought the Berlin Wall down, destroyed and destroyed what he called that Evil Bear, the Soviet Union. I want to pay tribute to President Bush, who cancelled the black berets from China. On the Mall, the symphony was performing on Independence Day, and vendors were passing out plastic Old Glories made in China.

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With the that I thank the gentleman for his time, and I support this resolution, and I think this resolution is more important than the consideration it is getting very flipantly from some economists in America.

Mr. CRANE. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arizona (Mr. KOLOBE).

Mr. KOLOBE. Mr. Speaker, I thank the gentle

Mr. Speaker, I do rise in opposition to the resolution that would revoke normal trade relations with China. I think very clearly doing this would be a destabilizing factor in our relationship. I am sure that is the intention of those who have this resolution today. I think it would steer China on a certain course towards isolationism and nationalism, and I would think that those
who support this resolution certainly do not independently intend that to happen, because that certainly is not in the interest of our country; that would be counterproductive, certainly to our own economic and to our foreign policy interests.

There is nothing new in the debate really this year from what we had last year when we passed permanent normal trade relations. Nothing has changed since then. The reasons we supported PNTR last year are equally as valid as they were a year ago, and I say that despite the recent storms that we have had in U.S.-China relations.

The recent downing of our aircraft and the holding of the plane and the crew for an inordinate length of time does not change the reasons that we need to have normal trade relations with that country.

We must remember that if China is going to become a member of the World Trade Organization, it has to make dramatic policy changes. As a result, its economy is going to become more and more open, more and more capitalistic. In the future, free market forces are growing and they are getting stronger in China. Economic liberty is on the rise, and that is exactly the course we want to help China navigate.

If the U.S. revokes normal trade relations, it would be devastating to China's economic progress and hurt American consumers and workers in the process.

I heard here earlier about how this is about the almighty dollar; and I say no, it is not about that. This is about making sure that China continues on a path towards opening its political and its economic system; and, yes, it does help American workers in the process.

Mr. Speaker, I urge Members of the House to oppose this resolution and to make sure that China continues on a path towards opening its political and its economic system.

If we stand for civil rights in America and other places in the world, we must stand for human rights in China and speak for those who are not free to speak for themselves. Today, with our vote, we have an opportunity to speak for the dignity of man and for the destiny of democracy.

Now, I believe in trade, free and fair trade; but I do not believe in trade at any price, and the price to continue to grant normal trade relations with China is too high.

Mr. Speaker, I urge all of my colleagues to support this resolution and send a message to China.

Mr. LEVIN. Mr. Speaker, I yield 6 minutes to the gentleman from Washington (Mr. McDERMOTT), a member of the Committee on Ways and Means.

Mr. McDERMOTT. Mr. Speaker, I rise today in support of this resolution, I brought this glass of water out here because, when we look at it, it is not quite clear whether it is half full or it is half empty. This debate is really a half-full, half-empty debate.

I went to China first in 1977 with the first legislative delegation that got into China after Mao died in 1976. There were about 25 of us State legislators who traveled all over China. The Chinese people at this point dressed in blue and green. If they were in the government; or blue, if they were a peasant; or green, if they were in the army. You could look around the whole place and there was nothing but gray and blue and green.

In 1982, I went back to China with a group from Seattle to establish a sister city relationship with Chungking. I was one of the five official delegates who did that. We went to the largest city in China, Chungking in the west. At that point, immediately one noticed two things. One was people's clothing had begun to change. People were allowed to have a little free expression here and there. The second thing that happened was that people were not afraid to come up and talk in English.

When we had been there in 1977, people who had been trained in Bible schools and all sorts of places in the United States and spoke good English were afraid to speak to you in the street in English. In 1982, that had changed. They were talking about development of free trade zones in Tianjin and other cities.

I went back to China in 1992, and the changes were even more dramatic in terms of the change in people's dress, the change in people's behavior. They were having dancing classes, doing western ballroom dancing out in the street in front of the Shanghai hotels.

Now, we say that is all superficial, but it is very indicative of the changes that are occurring in China.

Now, if I were to tell my colleagues that there were labor leaders in one of the states of China that had formed a union and they worked on the docks and they did not like the way things were going then they called a strike, and the governor of the State, the State Attorney General, put those labor leaders in house arrest for an entire year for having a strike.

I am sure somebody would be out here jumping up and down and telling me all about these terrible human rights violations going on in China.

The description I just gave my colleagues is going on in South Carolina today. A black longshore union down in South Carolina has three or four labor leaders under house arrest for a year while the Attorney General runs for governor and uses them as his bait.

Now, the Bible says that before you talk about the mote in our brother's eye, look at the plank in your own eye. We are not clean on all of these issues of human rights, and giving everybody opportunity. The Chinese have changed dramatically since 1977 when I first went there. Have they a long way to go? Of course.

I have been to India and seen the Dal Lama, seen those who have fled from Tibet who live in Katmandu. I have seen all of the aspects of this. Many of them live in Seattle. And those are not right situations.

And none of us who think we ought to keep the pressure on the Chinese to change, none of us who are supportive, at least none that I know who are supportive of continuing a trade relationship with China, for 1 minute condone what is happening in Tibet or what is happening in a variety of slave situations in forced labor camps. None of that. But to walk away and say to one-fifth of the world's population, we have no interest in you, go your own way, do whatever you want; until you do it our way, we are not going to talk to you.

We tried that. My Senator, Warren Magnuson, who was here for 44 years, said, the biggest mistake we ever made was in 1947 when Mao put his hand out to the United States and said he wanted to work with us and other countries. We said, no, you are a Communist. We will not deal with a Communist.

We closed the door on China from 1946 until a Republican President...
showed up. I mean, I do not have many good things to say about Richard Nixon, but I will say he had the courage to go back to the pre-1972 era and say, closing the door does not work. We have lots of proof of that. And to go back to the pre-1972 era is simply not in either our best interests or in the world’s best interests.

If the gentleman from Ohio is correct, that the Chinese are this great, fearful dragon, I think they are mythical animals, but, anyway, if they are really a fear to us, it is much better that we know them, that we are talking with them, that we are involved with them, and that we are using trade as a way to get them to adopt the rules of a civil world society, that is, the World Trade Organization.

Everybody plays by the same rules. They have to do the things that we do, that we expect of ourselves. That is how we can all see, is empty, but I will submit to my colleague that there will be many people who will try to tell you that there is water in this cup. No. It is an empty cup. And no matter how much we would like it to be filled with water, it is not filled with water. No matter how much we would like to say that there has been human rights progress in China, there has been no human rights progress in China.

In fact, the situation has retrogressed in the last few years. Japan was becoming highly westernized in the 1920s and 1930s. Berlin became a real party town compared to what it was when they were real poor and went through their economic hard times. Did this make Japan and Germany any less a threat to world peace? No. Today, China is, yes, advancing economically, but the money is being used by the militaristic elite to prepare for war and to attack the United States.

Mr. Speaker, I yield myself 30 seconds.

This is a cup that, as we can all see, is empty, but I will submit to my colleague that there will be many people who will try to tell you that there is water in this cup. No. It is an empty cup. And no matter how much we would like it to be filled with water, it is not filled with water. No matter how much we would like to say that there has been human rights progress in China, there has been no human rights progress in China.

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There is no difference in China today that China is an emerging nation. The term trade we need to use with China on most of our remaining issues.

Mr. Speaker, I yield myself 30 seconds.

The gentleman from California earlier, in opposition to this bill, suggested that we have to deal with the fact that China is an emerging nation. Wow. Pretty profound. It is, in fact, in the emerging nations, no one can deny that. No one does deny that.

What kind of an emerging nation is China? It is a nation that in the last year has increased military capabilities to threaten Taiwan; exploded a neutron bomb a little over a year ago, that event went widely unpublicized; constructed 11 naval bases around the Spratley and Paracel Island group; convicted a U.S. scholar of spying for Taiwan; jailed or exiled every major dissident; in China, closed or destroyed thousands of unregistered religious institutions; arrested 35 Christians for worshipping outside the official church and sentenced them indefinitely to forced labor camps; expanded the total number of Chinese people around 1,100; expanded the industry of harvesting and selling human organs.

The government intensified crackdowns in the treatment of political dissidents in 1999, suppressed any person or group perceived to threaten the government. Hundreds of Falun Gong have been imprisoned. Thousands of practitioners remained in detention or were sentenced to reeducation-through-labor camps or incarcerated in mental institutions.

China has increased the number of extrajudicial killings; increased the use of torture, forced confessions, arbitrary arrest and detention, the mistreatment of prisoners, lengthy incommunicable detention, and the denial of due process.

In May, the U.N. Committee Against Torture issued a report critical of continuing serious incidents of torture, especially involving national minorities; and, least, carried out not least, forced down an American plane and held 24 Americans hostage. This since we passed PNTR. This is the result. This is what we got for doing what we did. What can we expect, do my colleagues think? I quake to think what we can expect from a continued relationship of this nature.

Trade. The issue of trade has come up so many times. The term trade we throw around so lightly implies a two-way street. It implies an action we take, they take. We sell, they buy. No, it is not what is happening. Mr. Speaker, $100 billion later we explain to the rest of the world that this trade has not worked out to our advantage, what makes us think that it ever will? I suggest only this: Please, when the gentleman earlier said that companies are setting an example in China, he is right, and here is the example they are setting. Those companies are putting profit above patriotism. Please do not encourage that kind of behavior. Vote for this resolution.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

Commercial engagement with China has been and continues to be the cornerstone of America’s productive and maturing relationship with China. Since the historic 1979 U.S.-China Agreement on Trade, every American President has understood the importance of integrating China and its one-fifth share of humanity into the international system. Since the end of the destructive Maoist era, I believe that China has been and continues to be less than a “great awakening.” In ever-larger strides China has proceeded to open its doors to free enterprise and engage in international trade and commerce, now reaching $500 billion per year.

On October 10 last year, President Clinton signed legislation that terminated the provision of the 1974 Jackson-Vanik statute that requires the annual consideration of China’s Normal Trade Relations status, NTR. By a vote of 237 to 197, the House voiced its unwavering, bipartisan support for the reforms taking place in China and committed to extend Permanent Normal Trade Relations, PNTR, status to China when it becomes a member of the World Trade Organization.

Under the accession agreement, our tariffs on Chinese imports will not change, while Chinese tariffs on our exports will be sharply reduced, giving us access to 1.2 billion customers. This agreement also requires China to undertake a wide range of market-opening reforms to key sectors of its economy still under state control, covering agriculture, industrial goods and services.

On June 11, Ambassador Zoellick reached a breakthrough agreement with China on most of our remaining bilateral trade liberalization issues. In light of the progress made so far, it is very possible that China will become a WTO member by the end of this year. Therefore, it appears that Congress needs to reauthorize NTR status one last time for the span of just a few months.

In light of our historic PNTR vote last fall, we must keep moving forward toward our common goal of integrating China into the international system of rules and standards. After 15 years, we are almost there.
Mr. Speaker, relations with China this year have been anything but smooth. We are all angered and frustrated by the two steps forward, one step backward behavior of the Beijing government. The world expects much more from China.

Yet, denying China NTR will not bring about political and religious freedom for the Chinese. In fact, it will have a quite opposite effect. A better way to America’s long-term national security interests in China and the Asian region will be to help China begin this century on an economic reform path shaped and refined by the economic trade rules of the WTO, and I urge a no vote on House Joint Resolution 50.

Mr. Speaker, I ask unanimous consent for the gentleman from Illinois (Mr. PASCRELL) to control the time on our side.

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PASCRELL. Mr. Speaker, we need to expect more from ourselves first of all, not the Chinese government. I do not need the unions to tell me what to do on this issue, I do not need the churches, the synagogues, I do not need environmental groups, because this is what I carry with me, the Constitution of the United States, since I raised my hand.

This is what this is all about, article 1, Section 8. It gives to the Congress of the United States the power to deal in trade.

We are doing, this is the last vote we are ever going to have on this issue. Think about that, Members, we are not going to be able to change anything. This is the last vote that we are going to have on trade with China.

We, who have been voted by the public not the trade representatives of the United States, who did not stand for election, I stood for election, the Members stood for election, we stood for election, we have an obligation to fulfill the duties and responsibilities of the Constitution.

To China, I say I thank them for returning a New Jersey citizen they detained for 5 months without cause. I thank them. The opponents of this resolution will call this unfortunate. For this noble act, not only do they deserve the Olympics in 2008, but please take a continuation of the most-favored-nation status.

Has China done anything to warrant our continuation of most-favored-nation status? No. The Chinese government has abused its citizens, tortured its prisoners, held Americans hostage, and is doing its part to destroy the Earth’s environment.

We must fulfill these heinous actions by giving them American jobs, exporting them one after the other.

I plead with my colleagues, Mr. Speaker, to take a small step, a temporary step, and revoke MFN that the Chinese want and do not deserve.

Mr. SANDERS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Tennessee (Mr. CLEMENT).

Mr. CLEMENT. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, I hear this debate; and some of it bothers me because I do not want to go back to the Cold War. I do not want to bring about new hostilities between the United States and China and other countries of the world. I do not think the United States should be the world’s policeman. I do not think that we have all the answers in the world, as well.

I am for fair trade, I am for free trade, and I am in support of the normal trade relations with China. We know what to do.

Members imagine not trading with a country with a population of 1.3 billion people? They are on a land area approximately the same size as the United States. The only difference is, we have about 300 million people, and they have 1 billion more people than we have. They have one-fifth of the world’s population.

Yet, we are saying because we do not necessarily like their human rights record, which I do not, and they do not have the same democratic principles as the United States, that we are not going to trade with them under normal trade relations?

We do not need to raise the walls of isolation and nationalism. I believe that the best approach to improving our relationship with the most populous country in the world is through diplomatic and economic channels. Revoking trade relations with China jeopardizes the U.S. economy. The expansion of markets abroad for U.S. goods and services is critical to sustaining our country’s economic expansion.

The United States has a lot of softness, do we not, in our economy today? We do not need to worsen it. It most certainly will hurt the American workers, who will see their jobs disappear if exporting opportunities to China are lost.

A policy of principled, purposeful engagement with China remains the best way to advance U.S. interests. Extending to China the same normal trade relations we have with virtually every country in the world will promote American prosperity and security and foster greater openness in China.

We have serious differences with China, and I will continue to deal forthrightly with the Chinese on these differences. But revoking normal trade relations would rupture our relationship with the country of China. As we foster a better relationship with the Chinese based on trade and commerce and diplomacy, we can also work to establish increased freedoms and democracy for the 1.3 billion people that live there.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. WOLF), a leader of the Human Rights Caucus, who has been a champion of human rights here in the Congress.

Mr. WOLF. Mr. Speaker, I rise in support of the resolution and in opposition to PNTR.

In some respects, listening to the debate in my office and reading about it, this reminds me of the time when Winston Churchill used to rise in the House of Commons to talk about the threat of Nazi Germany. They did not listen to him today; and frankly, I do not think the country is listening today.

This is an issue of values. Mary McCrory in The Washington Post said the other day in her column, “We talk human rights, but we act like shopkeepers. We are listening to the cash register.”

We are listening to the sounds of the cash registers, but we are not listening to the Catholic bishops, ten of them, that are in jail, and one because he gave holy communion to the gentleman from New Jersey (Mr. SMITH), and he still has not gotten out. We are not listening to the sounds of agony of the Protestant pastors. Those who said they care about the church and the persecution, we listen to the sound of the cash registers.

They get down here and talk about the Dalai Lama in Tibet. I have been there and I have seen the persecution of the Muslims, but we are listening to the cash registers.

Harry Wu will tell us, when the gentleman from New Jersey (Mr. SMITH) and I went to Beijing Prison Number 1, where there were 40 Tiananmen Square demonstrators, and some are still there, but we listen to the sounds of the cash registers.

For this side of the aisle, we name buildings after Ronald Reagan, but if we want to honor Ronald Reagan we should vote NTR down. Ronald Reagan understood. He never gave it to them. He talked about values. The Soviet Union did not because we gave them MFN, the Soviet Union fell because Ronald Reagan stood up to them, the Pope stood up to them, the AFL-CIO and Lane Kirkland stood up to them, and not just grant them trade.

We talk about freedom; we talk about human rights. But as Mary McCrory said, “Frankly, this Congress and this
country,” and quite frankly, the Bush administration, the Bush administration has been so successful that it does not need to emulate the Clinton administration. Clinton talked about it but did nothing about it. This administration had better be careful. We talk about human rights, we act like shopkeepers. We are just listening to the cash registers, not to the bishops, not to the pastors, not to the Members of Congress, not to the people in the slave labor camps.

There are more slave labor camps in China today than there were when Solzhentsyn wrote the book Gulag Archipelago. Let us listen to them and not to the cash registers.

Mr. Speaker, I think it is time we as a legislative body face reality about the People’s Republic of China. We’ve annually debated trade relations with China. We’ve heard about human rights abuses, religious persecution, nuclear arms sales. And it has annually been the will of the Congress that we engage in trade with China with the expectation that human rights would improve and that China would get on the road to democracy.

But the facts have fallen far short. As we have increased trade, the human rights situation in China has grown worse. For the past two years, the Department of State’s annual report on human rights in China has stated this clearly, saying: “the Government’s poor human rights record has deteriorated markedly” and “the Government’s poor human rights record worsened, and it continued to commit numerous serious abuses.”

Giving China most favored nation status hasn’t changed for the better the lives of thousands of men and women languishing in forced labor prison camps. Human rights violations in China are about people who are suffering. Human rights violations in China are about people of faith being thrown into a dismal prison cell because of their faith.

When China violates its own citizens’ human rights, people die, people suffer and families are torn apart.

Recently, I read the graphic testimony of a Chinese doctor who participated in the removal of organs and skin from executed prisoners in China. Dr. Wang Guoqi was a skin and burn specialist employed at a People’s Liberation Army hospital. He recently testified before the House International Relations Subcommittee on International Organizations, and Human Rights on the Government of China’s involvement in the execution, extraction, and trafficking of prisoners’ organs.

Dr. Wang writes that his work “required me to remove skin and come from the corpses of over one hundred executed prisoners, and, on a couple of occasions, victims of intentionally botched executions.”

What kind of government skims alive and sells the organs of its own citizens?

The Government of China also persecutes and imprisons people because of their religious beliefs. The U.S. Department of State recently sent me a letter, on the status of religious freedom in China, which I enclosed for the record. This letter states that the Government of China persecutes believers of many faiths, including Roman Catholics, Muslims, Tibetan Buddhists and Protestant Christians.

It is estimated that some “ten Catholic Bishops, scores of Catholic priests and [Protestant] house church leaders, 100–300 Tibetan Buddhists, hundreds (perhaps thousands) of Falun Gong adherents, and an unknown but possible significant number of Muslims are in various forms of detention in China for the expression of their religious or spiritual beliefs.”

What kind of government imprisons its nation’s religious leaders?

Compass Direct, a news service that monitors international religious freedom reports that “Christian leaders in both the unofficial house churches and the registered ‘Three Self’ churches in eastern China confirmed . . . that there is increased pressure against the church in China.”

When China violates its own citizens’ human rights, people die, people suffer and families are torn apart.

Today is the 159th day a mother and wife and permanent U.S. resident has spent in a Chinese jail. Dr. Gao Zhan is a researcher at American University here in Washington, D.C. She is my constituent. She studies women’s issues. One hundred fifty-nine days ago, Chinese authorities detained Gao Zhan and her husband and their 5-year-old son, Andrew. In the matter of an instant, this happy young family was torn apart by the regime in Beijing. A 5-year-old child was taken from his parents, a young couple was divided by prison walls and armed guards. Imagine how you would feel if the Government of China did this to your family. Imagine how you would feel if the Government of China put your 5-year-old son in prison.

What kind of government imprisons mothers who are academic experts on women’s issues?

News reports indicate that the Government of China is due to deport American citizen Li Shaomin, whom the Chinese have imprisoned for several months and whom they recently convicted of espionage. While I am hopeful that Li Shaomin will be released, I also call on the Chinese Government to immediately release Gao Zhan, mother, scholar and devoted wife. I also call on the government of China to release the remaining U.S. residents and citizens it has arrested on trumped-up charges, including Wu Jianmin, Tan Guanguang, Teng Chunyan, Liu Yaping and others.

Last year, during the debate on PNTR, I expressed concern “about the alliance that seems to be forming between China and Russia against the U.S.” Now, this week, Russia and China have signed a treaty of “Friendship and Cooperation” that I enclose for the Record. Article 9 of this treaty outlines what China and Russia mean by agreeing to “friendship” and “cooperation”.

Article 9. If one party to the treaty believes that there is a threat of aggression menacing peace, woecking peace, and involving security interests and is aimed at one of the parties, the two parties will immediately make contact and hold consultations in order to eliminate the threat that has arisen.

China is purchasing sophisticated weapons systems from Russia that could place in harm’s way, the lives of U.S. service members and U.S. capabilities in Asia. Russia has sold China an “estimated $1.5 billion worth of weapons contracts last year alone,” according to an article from Jane’s Defense Weekly. Jane’s also reports that “strategic cooperation between Beijing and Moscow has also extended beyond their bilateral relationship to include neighboring states . . . for cooperation on military and other issues.”

Jane’s also reports that “the [Chinese] military enjoys additional funding from other classified government programmes, such as for foreign arms procurements and weapons research and development.”

China has exported weapons of mass destruction and missiles in violation of treaty commitments. The director of the CIA has said that China remains a “key supplier” of these weapons to Pakistan, Iran and North Korea. Other reports indicate China has pushed on nuclear weapons technology to Libya and Syria. If one of these countries is involved in a conflict, it is very possible that these weapons of mass destruction could be targeted against American troops.

There have been numerous reports that the Chinese military views the U.S. as its primary threat. Evidence of this militaristic view toward the U.S. may be seen in China’s unacceptable behavior in the downing of the U.S. surveillance aircraft and detention of the crew. China’s behavior in this incident and its subsequent piecemeal dismemberment of the aircraft by the Chinese is an affront to the U.S. and is further evidence that China views the U.S. as a threat.

In light of the downing and detention of the U.S. surveillance aircraft and crew, in light of the new Russian-Chinese treaty, in light of China’s increased military budget, because of China’s proliferation of weapons of mass destruction, because of China’s viewing the U.S. as being their primary threat, why would Congress want to give China normal trade relations (NTR) and all the benefits that come with NTR? Giving China NTR will give away any leverage the U.S. has on these and other issues of concern.

Successive Presidents and previous Congresses have acted to trade with the People’s Republic of China expecting China’s human rights record to improve and the growth of democracy. After nearly two decades in which China has received most favored nation status, it is clear religious freedom, human rights and democracy have been given lip service by the Chinese government.

If the U.S. wants to help bring democracy to China, it cannot continue to give China a blank check in the form of normalized trade relations. As Lawrence F. Kaplan writes in a July 9 article from The New Republic, “. . . to pretend we can democratize China by means of economics is, finally, a self-serving conceit. Democracy is a political choice, an act of will. Someone, not something must create it.” I enclose it for the record.

It is clear that many years of giving China NTR has not helped advance democracy in China. Arguably, giving China NTR has made the prospects for democracy in China worse and may actually be standing in the way of creating democracy in China.

It is time to try something new in our China policy. If the U.S. wants to see the growth of
democracy and see China's human rights record to improve, the U.S. ought to review trade relations with China on an annual basis. Until the Chinese government proves that it will treat its own people, its mothers, fathers, religious leaders and even common criminals with the dignity, compassion and respect that all human life deserves.

Mr. Speaker, I include for the RECORD an article relating to human rights and trade with China:

WHY TRADE WON'T BRING DEMOCRACY TO CHINA
(BY LAWRENCE F. KAPLAN)

On February 25, business professor and writer Li Shaomin left his home in Hong Kong to visit a friend in the mainland city of Shenzhen. His wife and nine-year-old daughter hadn't left from him since. That's because, for four months now, Li has been sitting in a Chinese prison, where he stands accused of spying for Taiwan. Never mind that Li is an American citizen. And never mind that the Chinese government claims that Li is merely a necessary precondition for democracy in China. As he put it in a 1999 article, a "rule-based governance system." But as Li has since discovered, China's leaders have other plans.

Will American officials ever make the same discovery? Like Li, Washington's most influential commentators, politicians, and China hands claim we can rely on the market to transform China. According to this new orthodoxy, China's current system is merely a necessary precondition for democracy in China. As he put it in a 1999 article, a "rule-based governance system." But as Li has since discovered, China's leaders have other plans.

Bush makes the same point about China: "I believe a whiff of freedom in the marketplace and a taste of democracy will make people understand what it means to live in the United States can build "peace through trade, in-...
The Deng Xiaoping Era: An Inquiry Into the
ently—entrepreneurs who rely on connec-
they climbed the economic ladder independ-
China's emerging bourgeoisie consist over-
least some autonomous identity. In China,
state's modernization efforts, enjoyed prop-
uprisingists but behind the state that was
this only with the aid of a commercial class,
cutting away just enough . . . to pre-
liberalism, which eagerly complied, exchanging its po-
these cases, a strong state, not the market,
ment they defined as “loving the state” as
China’s modernization is how, under new his-
torical circumstances, to find new resources
so as to achieve social and moral integration
To Xiao and others like him, the answer is
and, as most important, the emergence of a
socially moderate middle class—all fac-
tors that promote democratization. More re-
cent studies have found that rising incomes
also tend to correlate with participation in
voluntary organizations and other institu-
tions associated with the middle class, which further weak-
ens the coercive power of the state.
But middle classes aren’t always socially
moderate, and they don’t always oppose the
state. In situations where liberalizing eco-
nomic policies breed middle classes that ac-
tively oppose political change. In each of
these cases, a strong state, not the market,
dictates the terms of economic moderniza-
tion. And, in each case, an emerging entre-
preneurial class too weak to govern on its
own allies itself—economically and, more
importantly, politically—with a reactionary
government and against threats to the estab-
lished order. In his now-classic study
Social Origins of Dictatorship and Democracy, soci-
cologist Seymour Martin Lipset pub-
lished a study in 1959, Some Social Req-
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nomic development led to, among other
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WTO, since China’s leaders have committed themselves to exporting China’s comparative advantages, and to a mercantilist growth model that South Korea, Japan, and Taiwan pursued in decades past. Last year, for instance, China exported $10 billion in goods and services to the United States, $15 billion worth. Hence, for every six modems it sends to America, Sandy Berger sent back only one.

To be sure, that one modem may carry with it seeds of change. Bush, for instance, says, “If the Internet were to take hold in China, I think it will be our greatest policy opportunity.” Alas, through links to Chinese service providers, Beijing tightly controls all access to the Web. And Western investors in China’s information networks have eagerlypitched in. One Chinese Internet portal, bankrolled by Intel and Goldman Sachs, greets users with a helpful reminder to avoid “topics” which damage the reputation of the state and warns that it will be “obliged to report you to the Public Security Bureau” if you don’t. But Goldman Sachs needn’t worry. If anything, the Internet is helping to erode the regime’s monopoly over information, producing a damaging “topics” and to Western news sources like The New York Times, The Washington Post, and this magazine. It also monetizes the Internet users who have tried to elude state restrictions. And, in ways that would make Joseph Goebbels blush, the government uses websites—and, of course, television, newspapers, and radio—to dominate the circuits with its own propaganda. “Much as many people might like to think the Internet is part of the explosion of pluralism in China, it is not,” writes Peter Lovelock, a Hong Kong-based academic who studies the Internet’s effect in the PRC. Instead, it provides “an extraordinarily beneficial tool in the administration of China.” And that tool was on vivid display during the EMP crisis, when China blocked access to Western news sources and censored chat rooms.

American politicians describe foreign direct investment, too, as a potent agent of democratization. In this case, roughly two-thirds of the inward investment, even paraphrasing political science literature that they haven’t read because the literature makes no such claim. In fact, a 1993 study by the University of North Carolina’s Kenneth Bollen found that levels of foreign trade concentration and penetration by multinational corporations have no significant effect on the correlation between economic development and democracy. In China’s case, it’s easy to understand why. Beijing requires foreign investors in many industries to cooperate in joint ventures with Chinese partners, most of whom enjoy close ties to the government. These firms remain insulated mainly in three coastal enclaves and in “special economic zones” set apart from the larger Chinese economy. Moreover, they export a majority of their goods—which is to say, they send most of their “seeds of change” abroad. But at about the same time, these firms accumulate reserves of hard currency, meet social welfare obligations, and otherwise strengthen their rule. Nor is it clear that U.S. companies are glad about it.

If anything, growing levels of U.S. investment have created an American interest in maintaining China’s status quo. Hence, far from promoting them, Western concerns about the business practices and accountability of Chinese companies, or even about the role of multinational corporations in China’s economy, far from creating democracy, this subordination of political principle has created the justified impression of American hypocrisy and, worse, given U.S. policymakers an excuse to delay the inevitable. Maybe the claim that we can bring liberty to China by chasing its markets will prove valid in the long run. But exactly how long is the long run? A political scientist at Stanford University says it ends in 2015, when, he predicts, China will be transformed into a de facto one-party system. Others say China will democratize before that. Still others say it may take a half-century or more. The answer matters. After all, while capitalist Germany and Japan eventually became democracies, it wasn’t capitalism that democratized them, and it certainly wasn’t worth the wait. In China’s case, too, no one really knows what might happen as we wait for politics to catch up with economics. With the exception, perhaps, of Li Shaomin, who tested the link between economic and political liberalization in China for himself. He’s still in jail.


Hon. Frank Wolf Co-Chairman, Human Rights Caucus
House of Representatives

Dear Mr. Wolf: This is in response to your request of Acting Secretary of State Michael Parmly for additional information during his testimony before the Human Rights Caucus on May 15 on the status of religious freedom in China. We appreciate your concern about the recent deterioration of religious freedoms in China and the large number of persons held in China for the peaceful exercise of their religious beliefs.

Turning a blind eye to Beijing’s depredations may make economic sense. But to pretend we can democratize China by means of economics is, finally, a self-serving conceit. Democracy is a political choice, an act of will. Someone, not something, must create it. Often that someone is a single leader—a Mikhail Gorbachev, a King Juan Carlos, or a Mikhail Saakashvili or Vaclav Havel. But such a man won’t be found in China’s current leadership. Other times, the pressure for democracy comes from a political movement like the Solidarity movement in Poland or the peaceful anti-veto demonstration in Iran or the brave protests in South Africa, Solidarity in Poland, or the marchers in Tiananmen Square. But there are no more marchers in Tiananmen Square.

Pressure for democratization, however, can also come from abroad. And usually it comes from the United States or from nowhere at all. During the 1980s America applied diplomatic and economic pressure to repressive regimes from Poland to South Africa; intervened to prevent military coups in the Philippines, Peru, El Salvador, Honduras, and Bolivia; and loudly enshrined human rights and democracy in official policy. The United States played a pivotal and direct role in democratizing even countries like South Korea and Taiwan, which many China-engagers now tout as evidence that the market alone creates political freedom. Appropriately, Kofi Annan just included China in a new transparency index, where civil society activists erecting a facsimile of the Statue of Liberty in Tiananmen Square.

The commercialist view of China, by contrast, is primarily utopian; it is a libertarian fantasy. “The linkage between development and rights is too loose, the threshold too high, the time frame too long, the stakes too high, the economic engagement a substitute for direct policy intervention,” writes Columbia’s Nathan. Yet make it a substitute is precisely what the long run is. But exactly how long is the long run? A political scientist at Stanford University says it ends in 2015, when, he predicts, China will be transformed into a de facto one-party system. Others say China will democratize before that. Still others say it may take a half-century or more. The answer matters. After all, while capitalist Germany and Japan eventually became democracies, it wasn’t capitalism that democratized them, and it certainly wasn’t worth the wait. In China’s case, too, no one really knows what might happen as we wait for politics to catch up with economics. With the exception, perhaps, of Li Shaomin, who tested the link between economic and political liberalization in China for himself. He’s still in jail.


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CONGRESSIONAL RECORD—HOUSE 13855

Istitue a proposal which will be submitted through the National Endowment for Democracy. This proposal will be for a Human Rights and Democracy Fund grant specifically for the purpose of funding a U.S. NGO’s efforts to develop and maintain a list of political and religious prisoners in China. Such a database will be extremely valuable to the human rights work done not only by this bureau but also by other government agencies, the Congress, and NGOs. We welcome your interest in and support of this effort and look forward to cooperative efforts to develop and fund a comprehensive record of religious prisoners in China.

In the meantime, we hope the information in this letter and the attached lists are helpful to you. We would welcome any case information that you might have available that could improve the quality of this list.

Sincerely,

MICHAEL E. GUEST,
Acting Assistant Secretary,
Legislative Affairs.

Enclosure.

ILLUSTRATIVE LIST OF RELIGIOUS PRISONERS IN CHINA

NOTE: See comments in cover letter. The following illustrative list is compiled from various sources, including information provided to us by reputable non-governmental organizations and from the State Department’s annual reports on human rights and on religious freedom. We cannot vouch for its overall accuracy or completeness.

Bishops

- Bishop Xie Shiguang: Arrested in 1999; status unknown.
- Bishop An Shuxin: Remains detained in Hebei.
- Bishop Li Side: House arrest.
- Bishop Zang Weizhu: Detained in Hebei.
- Bishop Su Zhimin: Whereabouts unknown.

Priests

- Fr. Wang Chengli: Serving reeducation sentence.
- Fr. Lu Guanjun: Serving 1st year of 3 year sentence.
- Fr. Xie Guolin: Serving 1st year of 1 year sentence.
- Fr. Wang Qingyuan: Serving 1st year of 1 year sentence.
- Fr. Xiaofei Shixiang: Arrested June 1996; status unknown.
- Fr. Hu Tongxian: Serving 3rd year of 3 year sentence.
- Fr. Cui Xingang: Arrested March 1996
- Fr. Yining: Serving 1st of 3 year sentence.

TIBETAN BUDDHISTS

- Lobsang Khetsun: Serving 5th year of 12 years sentence.
- Thubten Kalsang: Sentence not reported.
- Ngawang Jamtsul: Serving 12th year of 15 years sentence.
- Ngawang Gyaltsen: Serving 9th year of 17 years sentence.
- Yeshe Palmo: Serving 9th year of 15 years sentence.
- Yeshe Ngawang: Serving 12th year of 14 years sentence.
- Ngawang Oezier: Serving 12th year of 17 years sentence.
- Ngawang Phuljung: Serving 12th year of 19 years sentence.
- Lobsang Phuntsog: Serving 6th year of 12 year sentence.
- Sonam Phuntsok: Arrested in October 1999.
- Phuntsog Rigchog: Serving 7th year of 10 year sentence.
- Lobsang Sherab: Serving 5th year of 16 year sentence.
- Samten Rinchen: Serving 15th year sentence.
- Ngawang Sungrab: Serving 9th year of 13 year sentence.
- Jampa Tenkyong: Serving 10th year of 15 year sentence.
- Ngawang Tensang: Serving 10th year of 15 year sentence.
- Lobsang Thubten: Serving 7th year of 15 year sentence.
- Agya Tsering: Arrested in October 1999.
- Trimley Tsomdu: Serving 5th year of 8 year sentence.
- Tenpa Wangdrag: Serving 13 year of 14 year sentence.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mrs. BIGGERT), a strong proponent of the opportunity for Illinois workers who believe in free trade.

Mrs. BIGGERT. Mr. Speaker, I thank my colleague, the gentleman from Illinois, for yielding time to me.

Mr. Speaker, I rise today to urge my colleagues to vote against the resolution to revoke normal trade relations for China.

Some of my colleagues have said that this body should signal our disapproval of Chinese policy by denying NTR. Mr. Speaker, I would caution those who seek to signal China by ending NTR to think for one moment today about the likely consequences, and first answer some very basic questions:

Will Members’ vote for NTR for China today actually change the behavior of China tomorrow?

Will ending NTR free the political prisoners, end the military buildup, enhance respect for human rights, and stop the persecution of religious groups?

Will denying NTR bolster the moderates, or will it strengthen the hand of hard-liners as they struggle to control the future course of Chinese policy?

Most importantly, will revoking NTR teach the youth of China the values of democracy, the principles of capitalism, and the merits of a free and open society?

Mr. Speaker, if I thought that ending NTR would achieve these goals in China, I, too, would cast my vote of disapproval today. But make no mistake, denying China NTR denies the U.S. the opportunity to influence China’s workers, China’s human rights policies, China’s politics, and perhaps, most importantly, China’s future.
Make no mistake, ending NTR for China will end our best hope of getting China to open its markets and live by the world’s trade rules. It will effectively put an end to our trade with China. In short, revoking NTR for China will send much more than a signal. It will portend the end of U.S. trade with China and the end of our influence in China.

I urge my colleagues to vote to retain our influence and our trade relations with China by voting against the resolution today.

Mr. BROWN of Ohio. Mr. Speaker, I yield 9½ minutes to my friend, the gentleman from Michigan (Mr. BONIOR), who has fought against labor camps in China and fought for human rights for workers and people around the world.

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, those who favor granting China special trade privileges, some of them would have us believe that approving this MFN for China is going to lead to a freer society. They would have us believe that conditions in China have improved since the People’s Republic was granted most-favored-nation status last year.

In fact, the opposite is true. Let me just tell the Members a few stories.

Bishop Shi Enxiang, a 79-year-old Catholic bishop jailed on good Friday for not practicing state-sanctioned religion and for refusing to reject the legitimacy of the Pope, 79 years of age.

Of course, China will speak of its state-sanctioned Catholic Church. However, this is the same church that proclaimed 120 newly elected or canonized Chinese saints to be traitors and imperialist agents.

Liu Zhang, a worker in the Chun Si Enterprise Handbag Factory, who was desperate for work. The factory offered him a good job, living quarters, and a temporary residence permit. However, Chun Si did not follow through on his promise. Liu Zhang made about $22 a month, $15 of which went back to the company for room and board. His factory held its 900 workers in virtual imprisonment, and regularly subjected them to physical abuse.

Gao Zhan and Li Shaomin, American scholars detained by China for allegedly spying for Taiwan. Gao Zhan, her husband, and her son were about to return to the United States after visiting her parents when she was arrested in the Beijing airport.

Li Shaomin, who ironically believed that free trade would lead to a free China, was arrested when he left Hong Kong and entered China.

Peng Shi and Cao Maobin, Chinese union organizers, arrested for staging protests and forming labor unions. Peng has been sentenced to life imprisonment for fighting for better lives for his family and coworkers. Cao was held in a mental hospital after daring to speak to foreign reporters about the formation of an independent labor union protesting the company’s layoffs and refusing to pay 6 months of back pay.

Now, if someone is for religious rights, political rights or economic rights, as a labor group or organizer they cannot function in China. They are going to end up in prison.

These terrible stories of oppression have all happened in China within the last year. They have all happened since this House voted to extend permanent MFN to China. They are bitter lessons that we must remember.

We cannot have free markets without free people. We in America have the privilege of living in the freest country in the world, but even here global trade is not the force that brought our steelworkers and our auto workers into the middle class. It was their absolute rights and their collectives bargaining, it was their right to participate freely in the political life of this Nation that established safe working conditions and fair wages and labor rights. These folks demonstrated in America, they marched, they were beaten, they went to jail. Some of them died for these rights that we have that set the standard in our country.

People are doing the same thing in China each and every day and we are not on their side, we are on the sides of their oppressors. It was not global trade that brought protections for our air and water; it was people who fought and struggled in this country to elect leaders of their choosing to make a difference.

We have to do our part to ensure that China respects human rights and democratic freedoms and environmental rights. We have to do that for the people who are standing up for these basic freedoms. I urge my colleagues to vote for this resolution and reject further MFN for China.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I rise in opposition to this legislation today, and I do so to answer the question that the gentleman from California raised a moment ago when he held up an empty glass. I concede it is almost empty, but the question is how do we fill it? And I submit to my colleagues that we do not fill it in exactly the same way that we have in the past.

That is the significant question for us today. How can a country begin to change those that do things that we do not like? And again I just point to that little island off the tip of Florida. We tried it by doing it our colleagues’ way, those that suggest that somehow we can by not trading with China and allowing all our “friends” to trade with China that we will force them to do things. If it has not worked with a little island off the tip of Florida, how can it possibly work with a country of 1.2 billion Chinese people, most of whom like America, most of whom will like us better once they get to know us? And the only way they will get to know us is for us to treat them like the rest of the world treats them.

Mr. ROHRABACHER. Mr. Speaker, I yield myself 30 seconds.

Let me remind my colleagues we are not talking about an embargo against China. That is not what this vote is about. Normal trade relations is about ending all our other economic issues. But I believe that the benefits of normal trade relations for U.S. agriculture will be significant, and I am in no small company in saying so. Nine Secretaries of agriculture have served since John F. Kennedy supported normal trade relations with China.

China has 21 percent of the world’s population, 7 percent of the world’s arable land. There are those that argue that China does not need us. They say China exports more agricultural products than it imports. But this ignores the fact that significant agricultural imports enter China through Hong Kong. In fact, China and Hong Kong annually import about $6.5 billion more in agricultural products than they export.

There will be those that say we are not talking about Most Favored Nation; we are talking about normal trade relations. This is what sends a message to the people out there that somehow we are doing something special. I do not want to do anything special for those commie pinkos that do the bad things that the gentleman from Virginia (Mr. WOLF) talked about their doing. I do not want to see these things continue. I want China to change. They are not doing good things. They are bad people, their leaders. Their people are good people.

That is the significant question for us today. How can a country begin to change those that do things that we do not like? And again I just point to that little island off the tip of Florida. We tried it by doing it our colleagues’ way, those that suggest that somehow we can by not trading with China and allowing all our “friends” to trade with China that we will force them to do things. If it has not worked with a little island off the tip of Florida, how can it possibly work with a country of 1.2 billion Chinese people, most of whom like America, most of whom will like us better once they get to know us? And the only way they will get to know us is for us to treat them like the rest of the world treats them.

Mr. ROHRABACHER. Mr. Speaker, I yield myself 30 seconds.

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There will be those that stand up and say, there you go again, you are only talking about profit. Well, the question is, whom do we want to profit and whom do we think we are going to punish if we deny American jobs providing that which might be sold to China?

We are not talking about Most Favored Nation; we are talking about normal trade relations. This is what sends a message to the people out there that somehow we are doing something special. I do not want to do anything special for those commie pinkos that do the bad things that the gentleman from Virginia (Mr. WOLF) talked about their doing. I do not want to see these things continue. I want China to change. They are not doing good things. They are bad people, their leaders. Their people are good people.

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It is not about free trade or not about whether we can sell our goods in China. It is about whether or not big businesses will be able to get guaranteed loans from the banks. It is too risky. So the taxpayers come in and guarantee the loans. That is what this is all about. It is not about selling American products; it is not about embargoes. It is about subsidies to big businesses to set up factories in China.

Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GILMAN), the distinguished former chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of the Rohrabacher-Brown resolution, H.J. Res. 50, opposing the extension of the waiver authority that is contained in section 402(c) of the Trade Act of 1974 with respect to the People’s Republic of China. I commend the sponsors for bringing this measure to the House floor at this time.

Mr. Speaker, what will it take for us to wake up and understand that trade benefits for the People’s Republic of China is not in our Nation’s best interests? Human rights, religious tolerance, labor rights, even the right to die without having one’s organs removed before one is dead are nonexistent in the People’s Republic of China. The dictatorship in China threatens its neighbors, Democratic Taiwan, India, Japan, and the stability of the entire Pacific region with its threats and military buildup, funded almost exclusively by our enormous growing trade imbalance in China, $80 billion this year and growing even greater. This trade imbalance now surpasses our trade deficit with Japan.

The Chinese totalitarian dictatorship has now embraced an alliance with Russia. China also supports the dictatorships in North Korea, Cuba and Burma. It has threatened democracy throughout the world by obstructing the United Nations’ Human Rights Convention in Geneva. Its agents attempt to sell AK-47s and stinger missiles to Los Angeles street gangs here in our own Nation.

Mr. Speaker, it is time to recognize that China, the sleeping dragon, has awakened; and we need to respond appropriately. My colleagues, as we consider this proposal of denying free trade to China, let us bear in mind some of China’s violations of basic international accords: its threats to Taiwan, its murder and its arrest of Christians, of Buddhists, and Falun Gong practitioners, the downing of our surveillance aircraft, and its occupation of Tibet. This is not peaceful behavior by that nation.

I think it is time now for us to give an appropriate assessment of where China is. Mr. Speaker, the time has come to recognize that China’s behavior does not support stability and we need to respond appropriately. And until it stops threatening its neighbors and does not repress its citizens, we should not be supporting this repressive government and its growing military with normal trade benefits.

Accordingly, I urge all my colleagues to support H.J. Res. 50 in opposition to the favorable trade status for China.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

Mr. PENCE. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time. I rise today on behalf of Hoosier farmers, dedicated men and women who wake at sunrise and leave their sweat in the fields by sunset.

In the past few months, American farmers benefited from U.S. agricultural exports to China totaling $1.9 billion; and China’s ascension into the WTO, expected later this year, is projected to produce an additional $2 billion in business for our farmers.

Mr. Speaker, at a time when most U.S. agricultural commodities are experiencing their lowest prices in decades, stable access to China’s markets is critical.

Mr. Speaker, according to our best traditions, we are to live as free men but not use our freedom as a coverup for evil. And unlike many in this Chamber, since arriving in Washington I have been a vociferous opponent of the human rights’ abuses of the Chinese Government, and I will continue to be. In fact, I recently stood at this very podium and criticized China’s incarceration of American troops, American academicians, and its securing of the 2008 Olympic games in Beijing. But this vote is about simply the WTO, expected later this year, is projected to produce an additional $2 billion in business for our farmers.

Mr. Speaker, at a time when most U.S. agricultural commodities are experiencing their lowest prices in decades, stable access to China’s markets is critical.

By empowering the President to offer China’s performance.

I urge my colleagues not to mix trade and security today. I urge my colleagues to oppose H.J. Res. 50 and allow the President to extend NTR to China for one more year.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of this resolution. And because to some it may seem contradictory to my stand on behalf of permanent normal trading relations, I rise not so much to convince as to explain why I take this position.

In my view, the human rights performance in China is abominable, whether we are considering NTR or PNTR. However, I believe this provision of NTR is a one-way street. That is to say, I believe this is America giving to China, sanctioning, in effect, China’s performance.

I believed PNTR was a two-way street, in which we required China to accede to WTO, to agree to a commerce of law, to agree to an opening of markets; and, therefore, I supported it. Because like the previous speaker, I believe our relationship with China is a complex one. I believe China, perhaps, can be one of the most dangerous nations on the face of the earth or one of the most economically positive nations on the face of the earth.

But this vote is about simply the United States giving a benefit to China. I think we ought not to do that. I think we ought to require, as I hope will happen in November, for them to take unto themselves certain responsibilities that manifest an intent to become an equal and performing partner in the family of nations.

Therefore, I will vote for this resolution, but will continue to hope that China does in fact accede to the WTO and that we do pursue permanent normal trading relations with China, which I believe will have positive effects. I do not believe that simply annually pretending that China is not performing in a way with which we should not deal in a normal way is justified.

I thank the gentleman for giving me this opportunity.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I rise to oppose this resolution of disapproval which would cause a tremendous break in an established trading relationship.

I commend all who are participating in the debate and deeply respect the heartfelt concern of the advocates for this resolution for the concerns that have been expressed so passionately and well this afternoon. All of us are terribly concerned about the issues that have been covered.

The question is, how do we best effect change on these areas of concern? Is removal of the normal trade relations, reversing the course over the last many years, placing China, a nation of 1.2 billion, in a trade status only held by Cuba, North Korea and Vietnam, is that the way to advance our concerns? We have a track record on the application of unilateral U.S. efforts to isolate major world powers. I believe the
most recent one was a Carter administration effort to place a grain embargo on the Soviet Union, expressing our outrage about their involvement in Afghanistan. The result is now very clear. We lost important agricultural opportunities. Our farmers paid a huge price. Other countries benefited tremendously. We did not change Soviet Union behavior by that action one lick. I believe the same is absolutely before us.

No matter how much we may want to, we cannot isolate this nation of 1.2 billion people. The record in China is mixed. Fairness in this debate requires us to reflect briefly on the fact that there is continued growth in their free market economy. The spread of private enterprise has moved from the coast. Growth of the Internet continues to slowly erode the stranglehold of information held by the state. Earlier this year, China ratified a United Nations agreement on economic and social rights. Progress is also evident in the agriculture area.

We must reject this and move forward even while we continue to be very concerned about the conduct of China.

Mr. ROHRABACHER. Mr. Speaker, I yield 3 minutes the gentleman from New Jersey (Mr. SMITH) who knows we should not be subsidizing with taxpayer dollars investments in Communist China.

Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of H.J. Res. 50 to disapprove of the extension of MFN to the PRC.

The point was well taken by the gentleman from California (Mr. ROHRABACHER) in his resolution. Human rights abuses continue to multiply. The underground Protestant church, the Buddhists in Tibet are not reaping these benefits. They are suffering unbelievable torture as a direct result of the policy of this dictatorship.

Look at the country reports on human rights practices. They make it very clear. Torture is absolutely pervasive, government-sponsored torture. If we are arrested in China for practicing our faith outside the bounds of the government, we get tortured.

Mr. Speaker, I urge support for the Rohrabacher resolution. Human rights could matter. China should care what message we bring to the Beijing dictatorship.

Mr. WELLER. Mr. Speaker, I yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Speaker, I stand today in strong opposition to H.J. Res. 50.

Free trade is not just sound economic policy. It is great foreign policy as well. Free trade shares far more than just goods and services. It shares sound ideas and institutional norms across boundaries. Countries that are open to trade and capital flows are far more often than not also open to such ideas as political freedom.

We have heard today that China has a poor human rights record. That is not true. China has an atrocious human rights record. The question is, how do we best affect that for the better? Do we do it through trade? Do we do it through isolationism? Are we better to engage China or to isolate them?

We have heard we cannot have free markets without free people. I submit we can rarely have a truly free people without free markets. We have got to engage. We have got to get China to accept institutional norms. The best way to do that is through engagement.

The relevant question is, how do we change China for the better? I believe it is done through engagement, and I would urge defeat of the resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio (Ms. KAPTUR) who believes we should not award China’s human rights abuses with WTO membership and the Olympics.

Ms. KAPTUR. Mr. Speaker, I rise in strong support of the Rohrabacher-Brown amendment as someone who loves liberty and believes in free trade among free people.

Mr. Speaker, I wish to enter into the Record a portion of this debate a wonderful article by Lawrence Kaplan in a recent edition of The New Republic where he talks about why trade will not bring democracy to China. He talks about the relationship between profit and freedom and looks at the long history of nation states, talks about foreign trade and the role of multinationals having no significant effect on the correlation between economic development and democracy.

Capitalism does not bring democracy. 100 years ago in Germany and Japan, 30 years ago in countries such as Argentina and Brazil, and today in places like Singapore and Malaysia, capitalist development has buttressed rather than undermined authoritarian regimes.

In none of these cautionary examples did the free market do the three things business people say it does: weaken the coercive power of the state, create a democratically minded middle class, or expose citizens to the ideas of free market from abroad. It is not bringing that in China either.

In fact, capitalism in the People’s Republic of China, a Communist state, still operates within the confines of an efficient legal order and a party-controlled system where the emerging bourgeoisie consist overwhelmingly of state officials, their friends and their business partners. And who is benefiting from all of this? The authoritarian, repressive regimes that are imprisoning Catholic bishops, that are not allowing U.S. citizens of Chinese heritage to go back into that country, and the very same people who took our surveillance aircraft and held our troops all those weeks and now are asking us to pay for the time that they held American citizens on their territory.

Mr. Speaker, is something wrong with this picture?

Vote in support of the Rohrabacher-Brown resolution.

The May 1, 2001, report by the United States Commission on International Religious Freedom links the deterioration of rights to receipt of normal trade relations. “China has concluded that trade trumps all.” Torture of believers increased, the government conscripted and destroyed as many as 3,000 unregistered religious buildings, and has continued to interfere with the selection of religious leaders.

Since passage, persecution and execution have increased. (From the New Republic, July 9 and 16, 2001)

WHY TRADE WON’T BRING DEMOCRACY TO CHINA—TRADE BARRIER

By Lawrence F. Kaplan

On February 25, business professor and writer Li Shaomin left his home in Hong Kong to visit a friend in the mainland city of Shenzhen. His wife and nine-year-old daughter haven’t heard from him since. That’s because, for four months now, Li has been rotting in a Chinese prison, where he stands accused of spying for Taiwan. Never mind that Li is an American citizen. And never mind that the theme of his writings, published in subversive organs like the U.S.-China Business Council’s China Business Review, is optimism about China’s investment climate.
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Liu, that turns out, proved too optimistic for his own good. In the process of rewarding foreign investors, he believed that China’s economic growth would create, as he put it in a 1999 article, a “rule-based governance system.” But, as Liu has since discovered, China’s leaders have other plans.

Will American officials ever make the same discovery? Like Liu, Washington’s most influential commentators, politicians, and hands claim we can rely on the market to transform China. According to this new orthodoxy, what counts is not China’s political system but rather its economic orientation, particularly its degree of integration into the global economy. The cliché has had a narcotic effect on President Bush, who, nearly every time he’s asked about China, suggests that trade would accomplish the broader aims of American policy.

Bush hasn’t revived Bill Clinton’s recklessly ahistorical claim that the United States can build “peace through trade, investment, and commerce.” He has, however, latched onto another of his predecessor’s high-minded goals for selling China’s markets to Beijing—namely, that commerce will act, in Clinton’s words, as “a force for change in China, exposing China to our ideas and our ideals.” By engaging China, by selling Chinese entrepreneurs, he believes, is merely a necessary precondition for democracy in China. It’s a sufficient one. Or, as Bush puts it, “Trade freely with China, and time and on our side as we Congress prepares to vote for the last time on renewing China’s normal trading relations (Beijing’s impending entry into the World Trade Organization will push us toward the annual ritual you’ll be hearing the argument a lot: To promote democracy, the United States needn’t apply more political pressure to China. All we need to do is let China trade.

Alas, the historical record isn’t quite so clear. Tolerant cultural traditions, British colonization, a strong civil society, international pressure, American military occupation and political influence—these are just a few of the explanations scholars credit as the source of freedom in various parts of the world. Yet the political economy that does hasten the arrival of democracy, it’s not always obvious which ones. After all, if economic factors can be said to account for democracies’ emergence in places such as Hong Kong and Taiwan, they would have to be the same forces that guided the New Economic Policy in Soviet Russia 50 years before: a mix of economic liberalization and political repression, which would boost China’s economy without weakening the Communist Party. And so, while leaving the party in control of China’s political life, Deng junked many of the economy’s command mechanisms—granting state-owned enterprises more autonomy, removing the state from the daily management of the economy, and replacing aging commissars with a semiprofessional bureaucracy. The recipe worked well: China has racked up astronomical growth rates ever since. And democracy seems as far away as ever.

The reason isn’t simply that government repression keeps economic freedom from yielding political freedom. It’s that China’s brand of economic reform contains ingredients that hinder—and were consciously designed to hinder—political reform. The most obvious is that not only does the state retain a monopoly on the levers of coercion, it also remains perched atop the commanding heights of China’s economy. True, China has graduated to a modern marketplace, but the state still controls the everyday levers of the Chinese market. The regime. Their firms operate, in the words of Hong Kong-based China specialist David Zweig, “like barnacles on ships… [d]raw[ing] their sustenance from their parasitistic shelter in the ministries from which they were spun off.”

Helping to keep all these distortions in place are Deng’s functionaries, who now control both the political and economic branches of the Chinese government. According to a study by Richard Karkliss and others at the Foreign Policy Research Institute, the Chinese government is the one major institution in the country to have benefited from Deng’s economic reforms. Neither WTO accession nor Deng’s open-door policy did anything to make China a more democratic or market-friendly country. And China’s private sector remains the exclusive property of the state, China’s entrepreneurs operate with a few degrees of separation, but without true autonomy, from the government. Hence, capital, licenses, and contracts flow only with connections to the regime. Their firms operate in the words of Hong Kong-based China specialist David Zweig, “[d]raw[ing] their sustenance from their parasitistic shelter in the ministries from which they were spun off.”

For precisely this reason, Washington’s celebrations of the democratic potential of China’s double-edged market reform are premature. Entrepreneurs, once condemned as ‘counter revolutionaries,’ are now the instruments of reform. … [T]his middle class will eventually demand broad acceptance of democratic values,” House Majority Whip Tom DeLay insisted last night. Reading from the same script, President Bush declares that trade with China will “help an entrepreneurial and a freedom-loving class grow and burgeon and become viable.” Neither DeLay nor Bush, needless to say, invented the theory that middle classes have nothing to lose but their chains. In the first serious effort to subject the ties between economic and political liberalism to empirical scrutiny, Seymour Martin Lipset published a study in 1959, Some Social Requisites of Democracy, which found that economic development led to, among other things, higher levels of educational attainment and, most important, the emergence of a socially moderate middle class—all factors that promote democratization. More recently, Robert Dahl and other political scientists have also tended to correlate with participation in voluntary organizations and other institutions of ‘civil society,’ which further weakens the political power of the state. But middle classes aren’t always socially moderate, and they don’t always oppose the
state. Under certain conditions late modernizing economies have tended to chauvinistically oppose political change. In each of these cases, a strong state, not the market, dictates the terms of economic modernization. And, in each case, an emerging entrepreneurial class that has grown on its own allied itself—economically and, more importantly, politically—with a reactionary government and against threats to the established order. In his now-classic study Social Origins of Dictatorship and Democracy, sociologist Barrington Moore famously revealed that, in 19th-century Europe, the wave of nationalist transformations weakened rather than strengthened liberalism. In the case of 19th-century Japan Moore writes that the aim of those in power was to "preserve as much as possible of the advantages the rule class had enjoyed under the ancient regime, cutting away just enough . . . to preserve the state, since they would otherwise lose everything." Japan's rulers could do this only with the aid of a commercial class, which eagerly compiled, exchanging its political capital for access to profits. One commentator on the Meiji Restoration at least Marx and Engels had things right. Describing the 1848 revolution in Germany, they traced its failure partly to the fact that, in the end, the liberals threw their support not behind the liberal interventionists but behind the state that was the source of their enrichment.

Much the same process is unfolding in China, where economic and political power remain deeply entwined. In fact, China's case is even more worrisome than its historical antecedents in Germany and Japan. After all, an entrepreneurial class predated the state's modernization efforts, enjoyed property rights, and, as a result, possessed at least some autonomous identity. In China, which killed off its commercial class in the 1950s, the state had to create a new one. Thus China's emerging bourgeoisie consists overwhelmingly of state officials, their friends and business partners, and—to the extent they climbed the economic ladder independently—entrepreneurs who rely on connections with government officials to protect their livelihoods. "It is improbable, to say the least," historian Maurice Meisner writes in The Deng Xiaoping Era: An Inquiry Into the Origins and Policies of the Communist Party, which damage the reputation of the state—particularly those of the United States. As House Majority Leader Dick Armey has put it, "Freedom to trade is the great subversive and liberating force in human history." Or, as Clinton National Security Adviser Sandy Berger burred in 1997, "The fellow travelers of the new global economy—computers and gadgets, faxes and photocopiers in the hands of others. In any case, what these formerly state-employed workers have been demonstrating for is not less communism, but—more—"strike hard" campaign to quell any trouble. Which brings us to the final tenant of the engagement lobby: that commerce exposes oligarchs to the "creative destruction" of Western no political opposition to channel labor unrest into a coherent movement, protests tend to be narrow in purpose and poorly coordinated. And the wheels of repression have already begun to grind, with Beijing launching a pyramid scheme that, Fauchong Kong, the Roman Catholic church, independent labor unions, and organizations associated with the 1989 democracy movement—and some members routinely imprisoned, imprisoned and tortured. Others, such as the Association of Urban Unemployed, are monitored and harassed. And as for the official associations—cultural, professional, and grassroots democracy beginning to take hold in China.

"That's not quite right, China's leaders restrict committee elections to the countryside and, even there, to the most local level. Nor, having been legally sanctioned 14 years ago, do they constitute a recent development. More important, China's leaders don't see the elections the way their American interlocutors do. In proposing them, says Jude Hofvell, co-author of In Search of Civil Society: Market Reform and Social Change in Contemporary China, party elites argued that elected village leaders would promise to help them implement central government policy and in particular persuade villagers to deliver grain and taxes and support the state. In this regard, village elections today would assist in the implementation of the popular welfare state sought by Intel and Goldman Sachs, greets users with a helpful reminder to avoid "topics which damage the reputation of the state." That the Party could strengthen its roots at the grassroots level and bolster its legitimacy in the eyes of rural residents."

Which means that for village committee chairs, the Ministry of Civil Affairs allows only two candidates to stand for office, and until recently many townships and villages did not even allow several candidates and officials often push their favored choice, and most committee members are also members of the Communist Party, to which they remain accountable. Should a nonparty member be elected, he must join the Party immediately. The strength of the Communist Party, which, in any case, immediately sets about recruiting him. In those rare cases, committee members who challenge local party officials, their success may be measured from the fate of elected committee members from a village in Shandong province who in 1989 accused a local party secretary of corruption. All were promptly arrested.

Still, the very fact that China's leaders feel compelled to bolster their legitimacy in the countryside is telling. Last month Beijing took the unusual step of releasing a report, "Studies of Contradictions Within the People Under New Conditions" which detailed a catalogue of "collective protests and group incidents." What the report makes clear is that Beijing's leaders think China's growing middle class or "public" more a return to the salad days of central planning. Which brings us to the final tenant of the engagement lobby: that commerce exposes oligarchs to the "creative destruction" of Western political authorities, with the result that entrepreneurs rest into a coherent movement, protests tend to be narrow in purpose and poorly coordinated. And the wheels of repression have already begun to grind, with Beijing launching a pyramid scheme that, Fauchong Kong, the Roman Catholic church, independent labor unions, and organizations associated with the 1989 democracy movement—and some members routinely imprisoned, imprisoned and tortured. Others, such as the Association of Urban Unemployed, are monitored and harassed. And as for the official associations—cultural, professional, and grassroots democracy beginning to take hold in China.

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way around. Thus Beijing blocks access to damaged by West. Western news sources like The New York Times, The Washington Post, and this magazine. It also monitors e-mail exchanges and has arrested Internet users who have violated restrictions. And there are ways that would make Joseph Goebbels blush, the government uses websites—and, of course, television, newspapers, and radio—to dominate the circuits with its own propaganda. “Much as many people might like to think the Internet is part of a bottom-up explosion of individualism, the blogosphere is writing itself,” says Lovelock, a Hong Kong-based academic who studies the Internet’s effect in the PRC. Instead, it provides “an extraordinarily beneficial tool in the administration of China.” And that tool was on vivid display during the EP-3 crisis, when China blocked access to Western news sources and censored chat rooms.

American politicians describe foreign direct investment, too, as a potent agent of democratization. But, in this case, they’re not even remotely political. Economists have yet to understand the literature they haven’t read, because the literature makes no such claim. In fact, a 1983 study by the University of North Carolina’s Kenneth Lipartito found that levels of foreign trade concentration and penetration by multinational corporations have no significant effect on the correlation between economic development and the democratic. In China’s case, it’s easy to understand why. Beijing requires foreign investors in many industries to cooperate in joint ventures with Chinese partners, most of whom enjoy close ties to the government. These firms remain insulated mainly in three coastal enclaves and in “special economic zones” set apart from the larger Chinese economy. Whatever the majority of their goods—which is to say, they send most of their “seeds of change” abroad. At the same time, their capital largely substitutes for domestic capital (foreign-owned firms generate half of all Chinese exports), providing a much-needed blood transfusion for China’s rulers, who use it to accumulate power and hard currency. These funds, they claim, have created an American interest in maintaining China’s status quo. Hence, as such a demand, Western capitalists and policy. They stood in defiance of the people realized that economic and political liberalization in China was far from making as a Congress in this new century to empower them and the Chinese people.

Just last year I had an opportunity to meet with five Chinese university students who wanted to talk with me since I serve on the Committee on Education and the Workforce. I asked them, what is the most exciting thing occurring in Chinese universities? Almost all of them simultaneously said the Internet, because it gives them access to outside information and ideas that we have never been exposed to before or were precluded from having.

Mr. Speaker, I was sitting looking at this young crowd, thinking this is the next generation of leadership growing up in China, and if we want to see the positive, revolutionary changes occur in China that are long overdue, we need to empower them and the Chinese people.

Mr. KIND. Mr. Speaker, I rise in opposition to the resolution. This debate is not about condoning slave labor in China, child labor, or religious or political persecution occurring in China.

Mr. Speaker, I believe this debate is about empowering the Chinese people to make the improvements, make the positive changes that all of us in this Chamber would like to see made someday. I believe the best way to empower the Chinese people is with information: information from the outside world, information from us. And the best way we can accomplish this is through a policy of engagement, through trade, especially with greater telecommunication and Internet access within China.

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Mr. KIND. Mr. Speaker, I rise in opposition to the resolution. This debate is not about condoning slave labor in China, child labor, or religious or political persecution occurring in China.

Mr. Speaker, I believe this debate is about empowering the Chinese people to make the improvements, make the positive changes that all of us in this Chamber would like to see made someday. I believe the best way to empower the Chinese people is with information: information from the outside world, information from us. And the best way we can accomplish this is through a policy of engagement, through trade, especially with greater telecommunication and Internet access within China.

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Mr. KIND. Mr. Speaker, I rise in opposition to the resolution. This debate is not about condoning slave labor in China, child labor, or religious or political persecution occurring in China.
Mr. ROHRABACHER. Mr. Speaker, I yield 30 seconds to myself.

Mr. Speaker, I do not know what book my colleague has been reading from about history, but I read nowhere in history that if we treat the Nazis or the Japanese militarists as anything but dictators and threats where it turns out beneficial to the democratic countries of the world. I do not read where trade with dictatorships has led to peace. I do not read that.

What I read is when there is free trade with dictatorships, they manipulate the trade in order to gain money for their propoganda and our next speaker realizes we should not be using tax dollars to subsidize businesses for closing factories in the United States and reopening them in China.

Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. Haynes).

Mr. HAYES. Mr. Speaker, I rise today to urge my colleagues to vote for this measure and oppose granting China normal trade relations. Normal trade relations for the People's Republic of China does not represent fair trade for our Nation's textile workers. For the tens of thousands of textile workers and the many communities that depend on these jobs in North Carolina's eighth district, this agreement continues down the road of trading away a vital industry to our State's economy.

Since December of 1994, the textile and apparel industry has lost nearly 600,000 workers, 20 percent of which belonged to North Carolinians. A devastating effect on many communities throughout the district has resulted. Closed foreign markets which persist despite trade policies that open our markets, continuing large-scale customs fraud, transshipments, and currency devaluation have all led to this loss of jobs in a vital industry.

The textile industry is not protectionist. It is not afraid of competition. In fact, it is a highly automated and technology-driven industry that simply wants to assure its place within the global economy through fairness and equal access. Until that happens, I urge my colleagues to oppose trade with China.

Mr. WELLER. Mr. Speaker, I am happy to yield 3 minutes to the gentleman from California (Mr. CUNNINGHAM) not only a distinguished gentleman but one of America's greatest war heroes.

Mr. CUNNINGHAM. Mr. Speaker, most of my life I have spent fighting against Communists and Socialists. You would think of anybody that did not want to support the Chinese, it would be me, Mr. Cunningham. I am probably the only one in this room that has been shot at by the Chinese near the Vietnamese border. I cannot tell you what I told them over the radio or called them. And they were my enemy. They are a threat today. When the gentleman from Kentucky (Mr. ROGERS), the chairman of the committee, asked me to go to Vietnam and raise the American flag over Hanoi, I would say, "No, I can't do that. It's too hard." And then Pete Peterson, a friend of mine, the Ambassador to Vietnam, said, "Duke, I need your help. I was a prisoner for 6½ years. I can do this. You can, too." So I went. And I met with the Prime Minister in Hanoi.

I asked him, I said, Mr. Prime Minister, President Clinton is trying to work negotiations and trade with Hanoi to open up our two countries. Why a businessman go to Hanoi?

In perfect English he looked at me and said, Congressman, I am a Communist. If we move too fast in trade, you see those people out there? And we were looking at a sea of thousand bicycles. He said, those people out there will have things, like property, like things of their own, like their own bicycles that they could own. He very frankly said, as a Communist, I will be out of business.

I looked at him, and I said, Mr. Prime Minister, trade is good.

I was the commanding officer of Adversary Squadron, and at Navy fighter weapons school my job was to teach Asian and Sino-Soviet threats to the world. Twenty years ago, they were a real threat. Today, China is a threat; but let us not close the door on our farmers, on the people that fought in Vietnam, that are fighting for human rights within China itself.

My daughter dates Matthew Li. He is Chinese. I want to tell you, you look at our universities and the immigrants that we have into this country. They are the hardest working, the most freedom-seeking people in the world. And if we do not support this open trade with China, then we are going to lose that opportunity.

China is not what it is or what it was 20 years ago. Are they going to be a democracy? Not in my lifetime. But do we want them to go backwards? Or do we want to slowly change 10,000-year-old dog? It is hard to teach an old dog new tricks in this room. I believe with all of my heart that if we close that door and that opportunity for us to reach out, at the same time I think it was wrong to give China missile secrets and then for China to then give it to North Korea and make us vulnerable to missile threats, but we can hold them at bay.

Do not let the cobra in the baby crib but milk it for its venom.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS). Mr. Speaker, let me be very blunt. In my opinion, our current trade relations with China are an absolute disaster and are based on an unholy alliance between corporate America and the corrupt Communist leadership in China. As part of this trade agreement, corporate America gets the opportunity to invest tens of billions of dollars in China and to hire workers who are forced to slave away at wages as low as 20 cents an hour. And in the process, as corporate America invests in China, they are throwing out on the streets hundreds of thousands of American workers who used to make a living wage, who used to be able to join a union and have some kind of environmental protection. What an outrage, that corporate America has decided that it is better to pay Chinese workers starvation wages, have their government arrest those people, make them form a union, and allow corporate America to destroy their environment.

Mr. Speaker, today is a day to stand up for living wages in this country. Not only are we seeing a huge loss of manufacturing jobs because of our trade policies with China, what we are seeing is wages being forced down. How is an American worker supposed to make a living wage competing against somebody who makes 20 cents an hour? The result is that today, millions of American workers are working longer hours for lower wages than was the case 20 years ago. High school graduates in America no longer get manufacturing jobs at decent wages. They work at McDonald's for minimum wage. The reason for that is those manufacturing jobs are now in China.

Let us stand today for American workers, for decent jobs, for decent wages, and let us support the Rohrabacher amendment.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. GILLIORM). The Chair informs those who are controlling time that their introductions of their next speakers—the time consumed in that—does come out of their time.

Mr. LEVIN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. BENGTSEN).

Mr. BENGTSEN. Mr. Speaker, I thank the gentleman for yielding me this time.

There is not a Member of this House who agrees with all of the policies of the regime in China. I think there is not a Member in this House who would not like to see the Chinese government change their policies, whether it relates to their strategic relationship...
with the United States, whether it relates to groups such as the Falun Gong, whether it relates to their labor policy. But are we going to allow any Member of this House can make a credible argument that the United States unilaterally erecting trade barriers with the Chinese would somehow cause the Chinese government to change their policies? A unilateral action of what is proposed in the gentleman’s resolution would only come back to hurt the United States. Furthermore, I think Members need to understand, while we do have a trade deficit with China, it would be simplistic and incorrect to assume that there would be an exact substitution for the dollars of goods that we export to China going somewhere else versus what is imported here.

In fact, if we would submit to the body that if we were to erect barriers and eliminate trade with China as the gentleman’s resolution would ultimately do, we in effect would lose export dollars in the United States at the expense of workers, but I do not think that would be a very grave mistake. I would think it would be an even worse mistake given the fact that we know that the United States economy is in a great slowdown right now, perhaps closing in on a recession but certainly very slow growth. The rest of the world economy is experiencing slow growth. And so this is exactly the wrong time that we would want to be cutting off trade and the selling of U.S. goods and services when in fact our manufacturing sector is in a recession.

Mr. Speaker, I would hope that Members would realize that while from a rhetorical standpoint it may sound good, from a practical economic standpoint, the resolution would do nothing but hurt the United States.

Mr. ROHRABACHER. Mr. Speaker, I yield myself 30 seconds.

Let me remind my colleagues, this has nothing to do with erecting economic barriers around China. It has nothing to do with an embargo. It has everything to do with removing a subsidy. That is the only effect of this vote that we are having right here today. The only effect of taking away normal trade relations from China is that big business who want to set up a factory in China, maybe close one in the United States, are not going to get their loans guaranteed or their loan subsidized in order to set up that factory. It has nothing to do with stopping people from selling American products or erecting some sort of trade barriers.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Speaker, in 1941, about 6 months before Pearl Harbor, our former colleague Carl Andersen said that at some point in the near future we might be engaged in battle with a Japanese fleet. And if that occurred, we would be fighting a Navy whose ships were built with American steel and powered with American fuel. A few months after he made that statement, in fact, we were engaged at Pearl Harbor, December 7, 1941, losing hundreds of ships and aircraft and thousands of lives to a Japanese fleet, the “yes” but, with American steel and powered with American petroleum.

Today, we are sending 380 billion more to China than they are sending to us. They are using those hard American trade dollars to build a military machine. A part of that military machine is the Sovremenny-class missile destroyers that they have now bought from the Soviet Union complete with Sunburn missiles that were designed for one thing and that is to kill American aircraft carriers. They are building coproduction plants for Su-27 aircraft, high performance fighters with the ability to take on American fighters very effectively. And with American trade dollars they are building a nuclear force, intercontinental ballistic missile force, aimed at American cities.

Mr. Speaker, we are leaving a century in which 619,000 Americans died on the battlefield. It is a century in which a great Democrat President, FDR, joined early on with Winston Churchill to face down Hitler and save the world for democracy. And it is also a century in which a great Republican President, Ronald Reagan, faced down the Soviet Union, brought down the Berlin Wall, and disassembled the Soviet military machine.

Let us not replace that Soviet military machine with another military superpower built with American trade dollars. Vote “no” on Rohrabacher. Vote “no” on MNF for China.

Mr. WELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. PITTSS), a strong proponent of engagement with China.

Mr. PITTS. Mr. Speaker, I rise in opposition to this resolution that would revoke normal trade relations with China. It is a mistake to declare economic warfare on 1.3 billion people on the other side of the globe, on China, which in effect this resolution would do.

We have NTR with about 190 nations. We do not with about four or five that we consider enemies. But instead of esposing the opinions of politicians and my own views, I was interested in finding out what are the views of those impacted by the human rights abuses in China? Those unregistered church leaders, pastors of unregistered houses of worship? I have some faxes here from some of them. This is what they say.

Here is a Chinese pastor: “It is good and right that America be firm and strong on the issue of human rights but trying to enforce human rights through using NTR status as a lever is a misguided policy.”

Another one, a leader for over 20 years in a house church, he said, “If China cannot enter WTO, that means closing the door on China and also on us Christians. It will have a direct impact on China if it joins WTO and keeps its doors open to the outside world.”

I could go on and on. But, Mr. Speaker, this disapproving the 1-year NTR extension will accomplish nothing except pouring salt into the wounds of those in China who desire freedom. It will reinforce the agenda of the hard-liners in China.

We should support NTR, not for the corrupt dictators in Beijing, but for the people of China and the people of the United States. Only by continuing to actively engage China can we help stem the nationalism, the anti-Westernism of the communist leaders, help the reformers and have the opportunity to influence China for good. We should not withdraw; we should not be isolationists. We should vote against this resolution.

The SPEAKER pro tempore (Mr. GILLMOR). The Chair would inform the House of the order of closing. The order of closing will be as follows: the gentleman from California (Mr. ROHRABACHER); the gentleman from Michigan (Mr. LEVIN); the gentleman from Ohio (Mr. BROWN); and the gentleman from Illinois (Mr. WELLER).

The time remaining is as follows: the gentleman from Illinois (Mr. WELLER), 8 minutes; the gentleman from Ohio (Mr. BROWN), 9 ½ minutes; the gentleman from California (Mr. ROHRABACHER), 2 ½ minutes; and the gentleman from Michigan (Mr. LEVIN), 1 minute.

Mr. BROWN of Ohio. Mr. Speaker, I yield 2 ½ minutes to my friend, the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, let us turn to a recent statement by President Bush on trade sanctions. Calling sanctions a “moral statement,” President Bush ordered stricter enforcement of the U.S. trade embargo and greater support for the country’s dissidents. “It is wrong to prop up a regime that routinely stifles all the freedoms that make us human,” said President Bush.

Unfortunately, of course, he was referring to that puny little nation of Cuba, and not to the giant economic military power, China. God forbid we should apply the same standards to someone as powerful as they are. You know, driven by big business, policymakers in this body and downtown at the White House for more than 100 years have been talking about dramatic policy changes in China. They are coming. If you stacked up all of the agreements on trade, arms control, and
human rights that have been negotiated and signed over the last 100 years. In the United States, you could have the New Deal Working Hours and the like. I guess you could call it an imaginary line, because the agreements are not worth the paper they are written on.

Most recently, the 1992 MOU on prison labor was violent, torn up, thrown away. The 1994 bilateral on textiles was also violent, torn up, thrown away. The 1995 MOU on market access; the 1996, 1998 intellectual property; the 1999 grains and poultry: all ignored and violated.

But the proponents, or should I call them the apologists, are constantly making new rationalizations, “and this time it is really different,” a little bit like maybe Lucy and the football; or perhaps we could say their arguments are as finely packaged as our Navy plane which is coming back to us in pieces.

It is about U.S. jobs, they say; it is about engagement; it is about the dissidents. Well, here is a headline the day after we granted China permanent MFN status last year. The Wall Street Journal ran a front-page story. It said: “Debate focused on exports, but, for many companies, going local is the goal.”

The gentleman who preceded me talked about dissidents. I sat with a dissident who said, you know, occasionally we were treated better when the U.S. took certain action.

Were those actions a doormat giving the Chinese everything they wanted? No. The few times we have gotten tough with China, the dissidents from prison were treated better. If we give them everything they want, like a spoiled child, we will get no change in their behavior.

Please, please, this is our last chance. Vote to send a message to China.

Mr. WELLER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, as we listen to the impassioned debate on both sides of this issue, people all respect have differing views.

One group of people has been often overlooked in this debate, and that is the American worker. Trade with China means a lot to American workers. I think it is important to point out that 350,000 American families depend entirely on trade with China. In fact, exports to China are rising and will rise faster in a more open and free market with the Chinese.

Last year, U.S. exports to China increased a record 24 percent to $16.3 billion, and China is now our 11th largest export market. Trade with China is important to farmers and our rural communities. In fact, the U.S. farm exports to China could grow by $2 billion annually, nearly tripling our current rate of exports to China.

The point is, you are not pro-agriculture unless you are pro-free trade with China. I would also note that trade with China will also boost the technology sector, one of our weaker sectors today. We have seen the last 8 years a five-fold increase in exports to China from the technology community.

The facts are, you are not pro-technology unless you are pro-free trade with China.

It is time to be serious, and America is the world’s largest exporter, and China is now our largest consumer.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KIRK), a strong proponent of engagement with China.

Mr. KIRK. Mr. Speaker, I thank my friend from Illinois for yielding me time.

Mr. Speaker, as a member of the Human Rights Caucus, I rise in support of trade. The U.S. stands in the middle of a historic transformation. Half of all construction cranes in the world now operate in China. More cell phone users and Internet subscribers will live in China than in Europe. Open access to China will help human rights.

In the 1960s, 30 million people died in China of starvation, and it took the U.S. intelligence community over 20 years to even find out. Today, tens of thousands of Westerners travel throughout China each day. We know more about China than ever before, and we can fight for democratic change and more effective human rights better than ever before.

Martin Lee, the democratic leader of Hong Kong’s pro-democracy forces, supports trade with China. Taiwan supports trade with China.

As the world is being remade in our image, I believe that free trade with China is the most effective way to support democratic change and human rights in China.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Indiana (Ms. CARSON).

Ms. CARSON of Indiana. Mr. Speaker, I thank the gentleman for yielding me time to speak in favor of House Joint Resolution 50.

Mr. Speaker, I was one of the 237 that voted for the most-favored-nation permanent relations with China last year, but since that time I have watched with interest the developments in China since we gave them the most-favored-nation status.

I have watched them confiscate our airplane and destroy it. I have watched the continuation of human exploitation. Instead of trade, I have watched slave trade abound in China. And as important as that, I have noticed that China continues to dump steel in this country to the detriment of the American worker in this country.

In the State of Indiana, the largest producer of steel has dropped substantially in terms of its steel production and steel exports with the loss of several thousand steel jobs in my State, along with Alabama, devastated by steel dumping, Pennsylvania, Michigan, Washington State, Detroit, Michigan, devastated by steel dumping. Thirty thousand steelworkers in Indiana had to accept shorter work weeks, lower-paying job assignments, or early retirement.

The Commerce Department has reported that 11,000 American steelworkers have been laid off, and I was pleased to see President Bush had taken a look at this for the purpose of maybe imposing quotas.

Mr. Speaker, I thank you for allowing me this opportunity to protest.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I rise today in strong support of revoking China’s trade relations status. It has to be clear to all of us that granting China special trade status has not persuaded them to conform to standards of decency and fairness. Instead, their record of human rights abuses has worsened and trade imbalances have actually increased.

Today, U.S. companies import 36 percent of all Chinese exports, but the presence of U.S. purchasing power has done nothing to improve Chinese workers’ lives. What is most alarming is that many of the products the U.S. imports are made by young children, children who work more than 12 hours a day and more than 6 days a week.

If the mere possibility of cheaper goods made by children, slaves and prisoners is worth all the human rights violations, the religious persecution, more forced abortions and sterilizations, then I do not think this country stands for what we know we believe in. Of course, we do not stand for that.

It is long overdue for U.S. policy to address human rights, workers’ rights, and the environment. Trade is not free, trade is not fair, when there is no freedom and no fairness for the citizens of the country involved. Yet, year after year, this Congress grants special trade status to China.

This time, right now, tonight, let us have the courage to lever our economic strength and real reform and vote yes on this resolution.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, as I have heard other Members, I rise today to give explanation to my protest vote today to deny China this normal trade relations, because I voted for PNTR. But already Lee Chow Min has been in China, a U.S. citizen, since February 25, 2001. His family and lawyers have not been able to access him.

A young mother, wife and academic, Dr. Zhou Yongjun, whose husband and son are U.S. citizens, whose 5-year-old son was kept for 26 days away from her,
Mr. ROHRABACHER. Mr. Speaker, I yield myself 11/2 minutes.

It is that trade is the important part of engagement, but it is not a magic path. It will not automatically, even over time, bring about democracy.

So, in part, we responded by setting up a commission. It will be in operation soon at an executive congressional level. It is charged with submitting to the Congress and the President an annual report with the committee of jurisdiction required to hold hearings, and it is assumed that they will, it says, with a view of reporting to the House that forces free legislation in furtherance of the commission’s recommendations.

This has been a useful debate. We need to keep the light and the heat on this issue, and we intend to do just that.

Mr. BROWN of Ohio. Mr. Speaker, I yield the balance of my time to the gentleman from Oregon (Mr. Wu).

Mr. WU. Mr. Speaker, I stand to ask my colleagues to vote ‘yes’ on this resolution and ‘no’ to Most Favored Nation trading status for China. I am honored to stand here and be the last speaker; and I stand on the work of my colleagues, the gentlewoman from California (Ms. Pelosi), the gentleman from Virginia (Mr. Wolf), the gentleman from California (Mr. Lantos), and the gentleman from California (Mr. Rohrabacher). I stand upon their work and their shoulders.

I would like to ask my pro-life colleagues something else, but whether one is pro-life or pro-choice, how can we give Most Favored Nation trading status to a nation that forces women to have abortions? That is not pro-life. That is not pro-choice.

We just had a debate about religious freedom in this Chamber, and both sides of the issue professed to support religious freedom in the context of charitable choice. How can one support religious freedom and support Most Favored Nation trading status to a nation that forces women to have abortions? That is not pro-life. That is not pro-choice.

Mr. Speaker, I ask my colleagues to support my initiative to deny Normal Trade Relations with this Communist Chinese dictatorship.

Mr. LEVIN. Mr. Speaker, I yield myself the remaining time.
Mr. Speaker, I rise in strong opposition to H.J. Resolution 50, which would cut off Normal Trade Relations with China upon their admission to the World Trade Organization. I expect China to fully and officially assume responsibilities of WTO membership by the end of this year. Defeat of H.J. Res. 50 is necessary to support Special Trade Representative Zoellick’s decision to make the extra time to ensure that China’s concessions to the United States are as clear and expansive as possible.

Despite its history and historic policies which many of us have disapproved of, as well as disagreed with, China has made it clear that they are fully prepared and finally prepared to join the world of trading nations by accepting the fair trade rules of the World Trade Organization. This is progress, and we must support this type of progress.

While we see that the Chinese people still face overwhelming problems with the behavior of their government and their leaders, it is imperative to understand that China is changing. The last 10 years represent the most stable and prosperous period in China’s history known in the last 150 years. WTO membership and Normal Trade Relations with the United States offers the best tool we have to support the changes we have witnessed over the last few years in China.

With these changes, we have seen now that more than 40 percent of China’s current industrial output comes from private firms, 40 percent of China’s output now comes from free enterprise, and urban incomes in China have more than doubled. Engagement with China is working, the exchange of ideas and our values with China is working, and we must continue our engagement and free trade with China.

The bottom line for American workers is it offers a tremendous amount of opportunity, opportunity for our farmers, opportunity for those who work in manufacturing, opportunity for our hard-hit technology sector.

But I want to make one thing clear, America is not only the world’s largest exporter but China is again the world’s largest consumer. Over the next 5 years, China will have more than 230 million middle-income consumers with retail sales exceeding $900 billion, making China the world’s largest market for consumer goods and services.

We are making a choice today, Mr. Speaker: Do we want our farmers, do we want our manufacturing workers, do we want our creative friends in the technology sector to have an opportunity to participate in the globe’s largest market of 1.3 billion people? I believe we do. I believe a bipartisan majority supports continued engagement, as well as free trade with China.

Revoking normal trade relations at this time would undermine the success of the free enterprise and social re-forms taking place today in China. Let us not turn our backs on the gains our negotiators have gained with China, gains that benefit America’s farmers, America’s businesses, America’s workers, and America’s consumers. Instead, let us give capitalism a true chance in China. I urge a vote no on House Joint Resolution 50.

Mr. DeGETTE. Mr. Speaker, I rise today to oppose H.J. Res. 50. I firmly believe that engagement is the only thing that will bring positive change in the Republic of China in the areas that I care so deeply about: human rights, labor and environmental sustainability.

China is well on its way to joining the WTO, so the vote today is largely symbolic. I have consistently voted to support the annual extension of NTR status because of my belief that revoking it would worsen our relationship with China and negatively impact these issues. In addition, it could worsen the national security issues that have long plagued U.S.-China relations.

Closing the door on China will not improve the lives of those who are suffering under an oppressive regime. It will not raise the standard of living in China. And it will not benefit America’s consumers, America’s businesses, America’s workers, and America’s farmers.

In my state alone, there are already hundreds of companies that have begun exporting products to China. The potential for increased trade once China has lowered its tariffs is enormous in such areas as manufactured goods, technology and agriculture, just to name a few. A more open market will create significant new business opportunities for a broad cross section of Colorado businesses. Enhanced trade relations with China will economically benefit my district, my state and the nation as a whole.

After much discussion and deliberation I decided to support PNTR because I strongly believe it will economically benefit the people of Colorado, and because I believe continued engagement with China is the best way to promote democracy and protect human rights.

An open door to the West provides the best hope for progressive change in China over the long term, both in terms of American business and international security. It is possible to both reap the economic benefits and help promote democracy and free markets in China. Enhancing trade and diplomatic relations will accomplish these goals.
Mr. ROEMER. Mr. Speaker, I rise today in strong opposition to H.J. Res. 50, disapproving Normal Trade Relations with China. We are considering a critically important piece of legislation that we must defeat; legislation that will affect the way our Nation and our world progress into the new millennium. However, I would like to outline three simple points that should show why supporting Normal Trade Relations for China is the right thing to do, both for the benefit of the United States and the people of China. Those three points are the economic benefits to American workers and business, the human rights benefits for the people of China, and the necessity to move forward into a more productive and challenging relationship with the government of China.

First, and most important to our communities and constituents, is the way in which NTR for China will help Americans economically. Many people misunderstand the economic issues. The confusion over the complexities of trade policy. However, the necessity of NTR can be easily explained. Although I am disappointed China has not joined the WTO—has not even applied to the WTO—we can still achieve our aims by providing China NTR status. This will not only give us the economic gains, but also give us the status quo will remain, and American companies will find it increasingly difficult to sell their wares to a booming Chinese market. In fact, due to the fact that the European Union and other countries in Asia and around the world have similar agreements with China, American companies will actually be worse off than they are now! The other WTO members will be encouraged to open their markets to American companies more incentive to stay in the United States, while the United States gives up nothing to the Chinese—not just for their economic benefits, but also for their human rights gains.

As an elected representative to Congress, I stand in this chamber today; aware that the rest of the world that you like things the way they are now, and willing to allow sweeping changes that the Chinese government has made to their policies over the past year. The Chinese government has still remained insular, resistant to change, and unwilling to allow sweeping changes that the Chinese government has made to their policies over the past year. The Chinese government has still remained insular, resistant to change, and unwilling to allow sweeping changes.

Second, as a human rights advocate, I believe that the human rights of the Chinese people must be respected. The Chinese people are trying to create change and fight for human rights. We must vote against this resolution today. We must actively work to make our world a better place for our children. We must reach out to the Chinese and attempt to lead them down the right path to embrace our values of democracy, open markets, and human rights. We must help them become a modern nation. The United States will probably be the main beneficiary of this evolution in China, but it will help the Chinese people some day join our fellowship of democratic nations with a respect for universal human rights.

For these reasons, Mr. Speaker, I vote to defeat this disapproval resolution, H. J. Res. 50, and I strongly encourage my colleagues to support continued engagement and fair trade with China.

Mr. GEPHARDT. Mr. Speaker, I rise in opposition to the annual request for Normal Trade Relations (NTR) status for China and support H.J. Res. 50 to reject this request. When I hope and believe we should continue to seek engagement with China and other nations around the world, I also think it’s clear that on the key issues of trade, human rights and rule of law, the behavior of the Chinese regime has deteriorated in the past year. The Chinese leadership fails to respect or support the fundamental freedoms of its people. Fortunately, when it comes to trade and other relations, China is not yet a responsible partner in the international arena.

Most worrisome is the ongoing record of human rights abuses documented in the State Department’s “Country Reports on Human Rights Practices for 2000.” The report states: “China’s poor human rights record worsened during the year, as the authorities intensified their harsh measures against underground Christian groups and Tibetan Buddhists, destroyed many houses of worship, and stepped up their campaign against the Falun Gong movement. China also sharply suppressed organized dissent.” China’s abuse of academic experts who simply want to study that nation’s economic, political and cultural systems has been well documented in the past year. Both Chinese and American citizens have been swept up in the Chinese government’s attack on academic freedom. Earlier this year, I wrote Chinese authorities to protest the detention of several Chinese-born U.S. citizens or permanent residents detained in China. Two of these individuals have been formally charged with espionage, though no information or evidence has been presented to justify these charges. Another was sentenced to a three year prison term for “spying for and illegally providing state intelligence overseas,” after she attempted to document the forcible detention of
Falun Gong members in mental institutions. Others remain in detention and under interrogation.

I have strong reservations about the granting of the 2008 Olympic Games to Beijing, in light of China's poor record on the individual rights and freedoms that this competition embodies. However, with this award, the Chinese government should know that its human rights abuses will be scrutinized because of the increased attention that China will receive during preparations for the 2008 Olympics.

While this is likely to be the last vote on annual NTR for China, I am confident that the Congress will not abandon its role of monitoring Chinese abuses of human rights. The newly established Congressional-Executive Commission on China will assist the Congress in maintaining its traditional tough scrutiny of the Chinese government.

China has a track record of suppressing the yearnings of the Chinese people for democracy, and cracking down on those who would fight for their freedom, and a nation that does not respect the rule of law will not likely be interested in protecting intellectual property or other pillars of normal trade relations. I urge my colleagues to consider the reality of the situation in China as it is today, and to join me in affirming the bedrock values of our society.

I urge my colleagues to turn back annual NTR until China becomes a responsible nation in a free and fair international trade regime.

Ms. LEE. Mr. Speaker, I rise in support of this amendment to disapprove Normal Trade Relations with China.

Last year Congress voted to grant Permanent Normal Trade Relations to China.

After much consideration, I voted against that bill because I did not believe that the United States should enact a trade policy that rewards the use of child and prison forced labor; environmental degradation; and religious and political repression.

I also opposed PNTR because of the enormous, $83 billion dollar trade deficit we have with China.

The Economic Policy Institute estimates that PNTR will cost 872,000 American jobs in the next decade, 84,000 of them from my home state, California.

That deficit is growing larger, while our own economy is slowing down, making jobs an even more precious commodity.

We cannot make American jobs a casualty of our trade policy.

And while the trade deficit increases, so does China's persecution of its own citizens.

Our trade policy has done nothing to promote the protection of human rights.

The Chinese government has trampled reproductive rights of women, imprisoned Falun Gong practitioners for carrying out their exercises, and arrested political dissidents for the simple expression of their beliefs.

I support free and fair trade. An $83 billion dollar deficit that siphons off American jobs is not free and fair.

A national industrial policy that is based on the forced labor of children and prisoners is not free and fair.

Therefore, I urge you to support H.J. Res. 50.

Ms. LOFGREN. Mr. Speaker, I rise to oppose H.J. Res. 50, the measure denying China Normal Trade Relations. Just last year, we approved historic legislation (HR 4444) providing for Permanent Normal Trade Relations (PNTR) for China's accession to the World Trade Organization. Those talks have not concluded, so yet again, we are called on to vote on a measure denying Normal Trade Relations for China.

I urge my colleagues to vote no.

Now more than ever it is important that we engage China for domestic and foreign policy reasons.

On the domestic side, access to China—our 4th largest trading partner is important to US workers and US companies, especially our high-technology industry. In 2000, the high-tech sector accounted for 29% of US merchandise exports and has accounted for 30% of GDP growth since 1995. This in turn has led to greater prosperity for American workers.

In 2000 (according to AEA's Key Industry斯塔克 corporation) Free market prosperity in the High-Tech industry was $83.103.

An estimated 350,000–400,000 US jobs depend on our exports to China.

The case for trade with China is clear on the domestic front.

But the case on the foreign policy side is also compelling. Free market prosperity in authoritarian regimes and authoritarian regimes cannot long survive the impact of free-dom and free markets. Change in China will be incremental. Where American engagement with China will promote human rights, revoking NTR status for China would simply curtail American influence in this important area.

At the beginning of a new millennium, we should not regress and isolate China, we should help engage China in the world community. It is my strong belief that helping to engage China in the world community will advance the cause of freedom. I urge my colleagues to join me in voting against H.J. Res. 50.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise in strong opposition to House Joint Resolution 50, which would deny extension of normal trade relations (NTR) to the People's Republic of China.

I urge my colleagues to vote against the measure.

Mr. Speaker the decision before us is one of the most important actions taken by this Congress. The arguments for and against granting NTR to China are exceedingly broad and complex.

The stakes, too, are tremendous, as it involves America's relationship with the world's largest nation, a nation composed of one-fifth of humanity.

I commend my colleagues and deeply respect their opinion, regardless of their position on the issue before us, for there are valid and compelling arguments to be made on both sides.

For those who oppose NTR for China, I agree that China continues to be plagued with serious problems—from human rights abuses, to trade imbalances, to growing military and security concerns.

However, none of these problems will be resolved by attempts to isolate and disengage from China by denial of NTR status.

If anything, isolating China will only encourage it to turn inwards, making matters worse and likely resulting in increased violations of human rights, lessened respect for political and social progress for China's citizens, and heightened paranoia of other nations' intentions resulting in expanded Chinese military spending.

It is important for the U.S. to remain engaged with China and granting NTR status that will assist China's entry into the World Trade Organization is one very major way to achieve that objective while gaining WTO protections for our trade interests.

Additionally, China's membership in the WTO will further open up China to the international community and force its compliance with WTO multilateral standards and rules of law. With WTO enforcement, this will ensure China and the U.S. trade on a level playing field, which should go a long way toward rectifying our present trade imbalance.

Although the trade incentives for extending China NTR are obvious and apparent, Mr. Speaker, the most important consideration for me concerns what will best promote democratization and continued political, social and human rights progress in China.

On that point, Mr. Speaker, I find most persuasive and enlightening the voices of those Chinese who have been persecuted and are among China's most ardent and vocal critics—individuals who would be expected to take a hard line stance against the Beijing government.

Prominent Chinese democracy activists such as Bao Tong, Xie Wanjun, Ren Wanding, Dai Qing, Zhou Litai and Wang Dan have urged the United States to extend China normal trade relations as it would hasten China's entry into the WTO, forcing adherence to international standards of conduct and respect for the rule of law. Moreover, they urge that closer economic relations between the U.S. and China allows America to more effectively monitor human rights and push for political reforms in China.

Joining their voices are other Chinese leaders who have opposed Beijing's communist control, including Hong Kong's Democratic Party Chairman Martin Lee and Taiwan's President Chen Shui-bian. Both Lee and Chen have called for normalization of trade relations between the U.S. and China and WTO accession by China.

Mr. Speaker, we should listen to the wisdom of these courageous Chinese, whose credentials are impeccable and who clearly have the interests of all of the Chinese people at heart. They know that it is absolutely crucial and vital for continued political, social and human rights progress in China that the U.S. maintain and expand its presence there through trade.

The Chinese people plead for the U.S. to remain engaged and not turn away from China because our nation is the only one with the power, the conscience, and the fortitude to push for true reforms and democracy in China.

Mr. Speaker, I urge our colleagues to heed the best interests of the Chinese people as well as the American people by normalizing trade relations between our nations and opposing the legislation before us.

Mr. BLUMENAUER. Mr. Speaker, I oppose H.J. Res. 50 and express my strong support for Normal Trade Relations for China. Unfortunately, due to family commitments in my hometown of Portland, Oregon, I will be unable to vote on the motion today.

Last year Congress overwhelmingly made a difficult decision that we were following path of
engagement with the Chinese by voting to approve China’s admission to the WTO and extending Permanent Normal Trade Relations. In so doing, the majority of Congress supported the leaders of both political parties aligned themselves with the forces of change and reform in China.

Because Chinese ascension to WTO has taken longer than we anticipated, we are back again with the need to do the last annual extension. We continue our roller-coaster relationship with China, although nothing has fundamentally changed. China continues to be ruled by the party at the top and majority of which are threatened by China’s engagement with the United States and the broader world.

Chinese leaders fear further penetration of the Chinese market by foreign economic powers, especially the United States. Tearing down economic barriers that would permit us to trade effectively would have a destabilizing effect on the relations between the two countries. Economic distance that China has already traveled from the butchery and starvation of the Great Leap Forward and chaos of the Cultural Revolution today is almost unimaginable.

Engagement will play to the positive forces of change. It will be strengthening the new generation of entrepreneurial spirit, provincial and municipal leadership, and new business partnerships.

A classic example happened earlier this year when an explosion occurred at a school when an explosion occurred at a school in Shanghai when an explosion occurred at a school when an explosion occurred at a school. The ayes appeared to have it.

The SPEAKER pro tempore. Failure to renew would be a serious mistake. We have already embarked on a policy of engagement and established a policy on it. To reverse course now would have an extraordinarily destabilizing effect on our relationship, at a time when we are attempting to reduce tensions between economic goals. This would be a gratuitous and unfortunately escalator of pressures on our side, which would frustrate, if not inflame the Chinese, confound our allies, and delight our business competitors.

History suggests isolation will not have the intended desired by opponents of normal relations with China. It’s particularly ironic some are calling for disengagement with China at a time when we are now inching toward acknowledging our policy of aligning with a much smaller country, Cuba, has been a failure. It’s only harmed the Cuban people and prolonged the life of the Cuban dictatorship. Had we opened our borders, engaged in commerce and interaction, Castro would certainly be less powerful, and probably a thing of the past.

China’s behavior continues to be troubling and its record on human rights is atrocious. The potential is great that our frustrations with China may even escalate in the near term. Trading with China is not going to solve all our problems. We are still going to have to be aggressive in our negotiations, vigilant for human rights, the environment, and trade compliance. With China in the WTO we will have more tools and more allies in this struggle.

Given the overwhelming positive effects of trade and engagement with China, I urge my colleagues to support continued NTR with China and vote no on the disapproval resolution.

The SPEAKER pro tempore. Pursuant to the order of the House of Tuesday, July 17, 2001, the joint resolution is considered as having been read for a reconsideration, and the previous question is ordered.

The question was taken; and the yeas appeared to have it.

The vote was taken by electronic device, and there were—yeas 169, nays 259, not voting 6, as follows:

YEAS—169

NAYS—259

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 169, nays 259, not voting 6, as follows:

YEAS—169

NAYS—259

YEAS—169

NAYS—259
Mrs. MEEK of Florida and Messrs. EHLERS, LAHOOD, LARGENT, WATT of North Carolina, SHOWS, and ENGLISH changed their vote from "yea" to "nay.

Ms. SANCHEZ, Messrs. NORWOOD, RADANOVICH, DINGELL, and Ms. WATERS changed their vote from "nay" to "yea.

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

Stated for:
Mr. GIBBONs. Mr. Speaker, I hit the wrong key on the recorded vote No. 255 on passage for H.J. Res. 50. I voted "no" accidently and would like it to be changed to "yea" for the RECORD.

PROVIDING FOR CONSIDERATION OF H.R. 2506, FOREIGN OPERATIONS, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. DIAZ-BALART. Mr. Speaker, by the direction of the Committee on Rules, I call up House Resolution 199 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 199

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 4 of rule XIII are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. The amendments printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the con

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The underlying legislation is a product of bipartisanship. The Committee on Appropriations has funded a wide variety of programs while staying within the strict budgetary constraints. The bill provides funding for debt relief for heavily indebted countries. It increases funding for the Peace Corps. It increases funding for the Child Survival and Health Programs Fund. It provides disaster relief for our friends and neighbors in El Salvador.

The legislation also reaffirms our commitment to our great ally, Israel, by fully funding President Bush's request of almost $3 billion for aid to Israel.

The bill also includes language that requires the President to determine whether the PLO is complying with its commitments to renounce terrorism. If the President cannot make a determination that the PLO is in full compliance with its commitments, then he must impose one or more of the following sanctions for a time period of at least 6 months: either the closure of the PLO office in Washington, the designation of the PLO or one or more of its affiliated groups as a terrorist organization, and the limitation of assistance provided under the West Bank and Gaza program of humanitarian assistance.

Additionally, H.R. 2506 provides funding for portions of the President's Andean Regional Initiative. The Andean region, Mr. Speaker, is home to the only active insurgent movement in our hemisphere and home to the most intensive kidnapping and terrorist activity in our hemisphere. These activities pose a direct threat to hemispheric stability. The President's Andean Regional Initiative will strengthen the region's economic development.

The President's initiative will work to promote democracy and democratic institutions by providing support for judicial reform, anti-corruption measures, and the peace process in Colombia.

This program will also work to foster sustainable economic development and increased trade through alternative economic development, protection of the environment and renewal of the Andean Regional Initiative, the Andean Trade Preference Act. The initiative will work to reduce the supply of the illegal drugs at the source, while simultaneously reducing U.S. demand through eradication and interdiction efforts.

There are two distinctive features of this program compared to last year's Plan Colombia assistance, both of whom aim to promote peace and to stem the flow of cocaine and heroine from the Andean region.

First, the assistance for economic and social programs is roughly equal to the assistance for counter-narcotics programs. Second, more than half of the assistance is directed at regional countries that are experiencing the spill-over effects of the illicit drug and terrorist activities.

The United States shares close cultural and economic ties with Latin America. We have a unique opportunity to help strengthen our hemisphere as a whole, and the President's Andean Regional Initiative is an important step in the right direction.

HIV/AIDS has become an international crisis of tremendous devastation. In Africa, an estimated 17 million people have already lost their lives to AIDS, including 2.4 million who died just last year. The Committee on Appropriations has made international HIV/AIDS relief a priority for this Congress by allocating $434 million within the Child Survival and Health Programs Fund for HIV/AIDS research and
Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Florida (Mr. DIAZ-BALART) for yielding me time.

This is a modified open rule. It will allow for the consideration of the Foreign Operations Appropriations Act for Fiscal Year 2002. As my colleague has described, this rule provides for one hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. It allows germane amendments under the 5-minute rule. This is the normal amending process in the House. However, the rule permits only amendments printed in the Congressional Record.

Mr. Speaker, foreign assistance is important to all Americans. As the last superpower of the world, the United States is the only Nation with the ability to provide significant humanitarian assistance throughout this world. This helps maintain our Nation's moral authority and our negotiations on diplomatic and military issues. This has a direct effect on the success of our economic and military position which in turn benefits all Americans.

But aside from self-interest, providing humanitarian assistance is the right thing to do, as we are obligated to help our fellow Americans who are less fortunate than we are, we also have an obligation to help peoples of other nations.

Foreign aid does work. Many of my colleagues have seen this, and I have seen it in different countries. Earlier this month, I returned from East Timor, which is a former Portuguese territory which faces numerous challenges in setting up basic institutions that we take for granted. I saw a number of projects that are funded through this bill. I saw coffee growing in a cooperative that employs 100,000 people. I also saw a U.S.-supported printing press which is helping to establish a free press in East Timor. These are directly funded through this bill.

I also saw a mobile clinic where immunizations and maternity care is given to village women and children, and this was funded by UNICEF which receives funding through this bill. The scenes that I saw in East Timor are repeated throughout the world where U.S. foreign assistance saves lives and strengthens nations.

The Committee on Appropriations crafted a good bill which increases overall funding for foreign aid. I am especially pleased that the bill provides generous support for the Child Survival and Disease Programs Fund which is intended to reduce infant mortality and improve the health of the poorest of the world's children. The bill is a bipartisan product which included consultation with the minority; and I commend the gentleman from Arizona (Mr. KOLBE), the subcommittee chairman, and the gentlewoman from New York (Mrs. LOWEY) for their work.

However, I regret that the committee could not increase foreign aid more than it did, especially considering the cuts that have occurred over the past 15 years. The overall levels are still too low. In fact, the funding for foreign aid in this bill is still only about half the level of 1985.

Mr. Speaker, I am also concerned about the rule that we are now considering. This rule includes two self-executing amendments; that is, the rule automatically accepts two amendments to the bill. The power of the Committee on Rules to include self-executing amendments should be used sparingly, and it is highly unusual to self-execute two amendments. I do not believe that there is sufficient justification in either case.

One of the self-executing amendments adopted by the Committee on Rules involves an earmark for environmental programs. It is not certain from which account this money would be taken. However, it appears that the money could come from funds intended to provide debt relief for poor nations. If that is the case, then this amendment is ill-advised. The money for debt relief is needed to reduce the crushing debt that is destroying the economies of some needy countries.

However, because this amendment is automatic under the rule, the House will not have the opportunity to fully debate this amendment and establish for the record its ultimate effect.

Furthermore, the rule requires preprinting amendments in the Congressional Record.

Mr. Speaker, despite my misgivings on the rule, I will not oppose it. I urge the adoption of the rule and of the bill.

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

Mr. DIAZ-BALART. Mr. Speaker, I yield 4 minutes to the gentleman from Oklahoma (Mr. WATTS), the distinguished chairman of the Republican Conference.

Mr. WATTS of Oklahoma. Mr. Speaker, I speak today to congratulate the gentleman from Arizona (Mr. KOLBE) on his leadership in crafting a bill that ensures that we are the strongest Nation in the world, and that our Nation is the most generous nation in the world, enhancing the availability of technology to lesser developed countries, and increasing citizen participation in government. These are all principles that support democracy and, therefore, deserve our support. I thank the gentleman for support of this initiative.

However, there is one issue that troubles me because it hinders the growth of democracy in Nigeria and attacks the fiber of American society. The issue I speak of is the trafficking of drugs being masterminded by criminals operating in Nigeria and West Africa. Despite the committed efforts by President Obasanjo and his administration, these criminals still engage in the wholesale movement of drugs into the United States. Not only do these people bring deadly drugs onto the streets of America, they also destroy the reputation of Nigeria and Nigerians worldwide. This stain on Nigeria's reputation hinders the economic expansion and democratic reforms that President Obasanjo is working to institute.

We must strengthen our partnership with Nigeria in fighting the drug-trafficking kingpins operating out of West
Africa. It is a large task, and the dedicated agents acting as part of the African Regional Anticrime Program deserve our support.

The gentleman from Arizona (Mr. KOLBE) has made that support possible with this bill. I commend the gentleman from Arizona (Mr. KOLBE) for his leadership. I thank him for his support of these programs which I feel are crucial to supporting the ideals of democracy in Nigeria and in West Africa.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. LOWEY), who is the ranking minority member on the Subcommittee on Foreign Operations, Export Financing, and Related Agencies.

Mrs. LOWEY. Mr. Speaker, I rise in strong support of this rule, but I would like to express my concern about one aspect of it. I am specifically concerned about the self-enactment of two amendments on these amendments are legislative in nature. There were several other requests for legislative amendments which were turned down by the Committee on Rules. I do not understand the rationale used to single out these two.

The first of these, an Olver-Glickreest amendment to strike the language prohibiting funds for Kyoto implementation, has been accepted on the other bills and would have been accepted on this bill. A self-enacting rule only serves to foreclose debate on the issue.

The second self-enacting amendment inserts the requirement that $25 million be made available for debt-for-nature swaps from within existing funds provided for debt relief. My concern is not with the program itself, which I strongly favor. My concern is that the bill had contained permissive language providing up to $25 million for the program.

Passage of the rule will mandate that $25 million be donated to Debt for Nature swaps from amounts provided for debt relief either in this bill or from previously appropriated funds. The Treasury Department has sufficient funds on hand now to pay the anticipated bilateral costs for debt relief through the end of fiscal year 2002. Six countries were anticipated to become eligible for debt relief in 2002. However, it now appears that two additional countries (Ghana and Angola) may become eligible in the coming year.

It only six countries become eligible in 2002, Treasury estimates that $22 million will remain in the bilateral account. If more than six countries become eligible, a significant portion of the $22 million on hand would be required to pay those costs.

The bottom line is that passage of the rule could jeopardize Treasury's ability to pay the costs of both bilateral and multilateral debt relief.

These concerns were not an issue when we put the bill together, because the authority for the Debt for Nature program at this point that we were not consulted on the inclusion of this amendment, and I insist that we not leave Treasury short of necessary funding for debt relief next year. I would like to congratulate the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) on the successful completion of this their first self-enacting measure.

Before being elected to Congress, I spent a great deal of my career working on various aspects of the United States foreign assistance programs. I have seen firsthand the positive effects these programs can have on building democracy, providing critical humanitarian aid, and making the world a safer place for us all. I commend almost all aspects of this bill but especially for continued vital assistance programs around the world to fight HIV/AIDS and also for international family planning. The data is now in that international family planning is one of the best ways to reduce the incidence of abortion. We have seen clearly in Kazakhstan that if you support women's rights, if you support maternal and child health and you want to reduce the incidence of abortion, you support international family planning.

I also want to commend the committee for its action on Tibetan refugee assistance and support to our allies in the Caucasus, particularly Armenia.

I am especially pleased with this bill's strong support of Israel and stability in the Middle East. This bill provides strong funding for Israel under the Economic Support Fund as well as for Egypt, a critical ally in this region. I want to particularly commend the chairman's strong bill language regarding the continued escalation of violence and the PLO's lack of 100 percent effort to achieve 100 percent compliance with the Oslo Accords. I urge my colleagues to support this measure and to support Israel.

Mr. Speaker, I am totally committed to America's role in the world. As a new member of the Committee on Appropriations, I fought hard to get the money we need for the National Defense budget. I took up the sometimes lonely fight for the International Affairs budget. I fight that battle that we must continue in years to come. It has always been my belief that it is less expensive in American blood and treasure to support our allies than it is to act unilaterally with military forces overseas. This bill is a good investment. It represents the best that America has to offer in the world. I urge its adoption along with the rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I come to the floor today to voice my support for both the Foreign Operations Appropriations bill and the rule, and I want to thank the chairman and the ranking member for their efforts. I am pleased that this legislation addresses two areas of the world very important to me, Armenia and India. However, in both cases I am hopeful that more money can be found for both countries in conference.

Earlier this year in testimony before the Subcommittee on Foreign Operations, Export Financing and Related Programs I requested that the subcommittee provide no less than $90 million in U.S. aid to Armenia. This was the amount that Armenia received in last year's bill. I was encouraged by the $325.5 million that was approved by the subcommittee because it was substantially higher than the $70 million President Bush requested in his budget earlier this year. However, I know that Armenia needs at least as much as it received last year.

I am also pleased that no changes were made to section 907 of the Freedom Support Act. I have been concerned that negotiators involved in the Nagorno-Karabagh peace process would attempt to use section 907 as a bargaining tool prior to a peace agreement.

I am also happy, Mr. Speaker, that the subcommittee included language encouraging the State Department send more of the money Congress has appropriated in the past for aid to Nagorno-Karabagh. In the past, I have been concerned that out of the $20 million allocated to the people of Nagorno-Karabagh, only $11.8 million has been sent to the region for aid programs. It is important that these remaining funds be appropriately sent to the region to ensure that the residents of Nagorno-Karabagh receive the assistance.

Appropriators should also be commended for expressing the need to provide a peace dividend in the event a settlement is reached between the Caucasus nations over Nagorno-Karabagh.

The bill also includes language directing assistance for confidence-building measures and other activities to further peace in the Caucasus region, especially those in the areas of Abkhazia and Nagorno-Karabagh. These measures include strengthening
Mr. Speaker, I rise today to support the rule/measure. I want to thank the distinguished Chairman of the Subcommittee Mr. KOLBE who has worked extremely hard to try and craft a bipartisan bill in spite of extremely limited resources and wide and varying demands by both sides. I also would like to acknowledge the work of the Ranking Member Mrs. LOWEY, who has also worked hard as well and that she was prepared and engaged on the many issues facing her in her new leadership role on this side of the isle.

DEVELOPMENT AID

This bill is a decent bill that attempts to address the increasing demands on foreign assistance. I am pleased that this measure provides $2.5 Billion in Development Aid which includes $120 million for UNICEF. I am pleased that the amount that we have funded is nearly $200 million more than the President's request for Development Aid (both Development Assistance and Trade Promotion). The President's request was $1 Billion in Development Aid. This amount is provided on top of the $1.3 Billion in funds already provided for Andean Counter Drug Initiative, the newest incarnation of the former Plan Colombia.

DEVELOPMENT ASSISTANCE ACCOUNT

Although the bill provides less than the President's request in the Development Assistance account, it does provide $1.1 Billion—$76 million more than the current level of funding. In the Development Assistance account I have fought to ensure funding for programs like Education for Development and Democracy Initiative (EDDI) which is an African-led development program—with special emphasis on girls and women—concentrating on improving the quality of education and access to it.

CHILD SURVIVAL AND DISEASE PROGRAMS

We have funded the Child Survival and Disease Fund at $1.4 Billion. This amount is $169 million more than the current level and nearly $400 million more than the President's request. Here, I have fought hard to fund programs like Hope worldwide’s Siyawela (which means “We are Crossing Over” in Swahili) program in South Africa which through support programs provides children affected by AIDS, infected by AIDS and orphaned by AIDS with counseling, medical care, psychosocial support, basic education, nutritional support and recreational activities.

FUMIGATION

Then there is the insurance by our country on a policy of Aerial eradication also known as fumigation. Aerial eradication of coca without sufficient alternatives simply moves the problem from one place to the next. Efforts in Bolivia and Peru shifted the focus of production to Colombia. According to the UN Drug Control Programme’s 2000 report, coca cultivation in Peru declined 82,201 hectares between 1990–2000 and increased by 82,500 hectares in Colombia in the same period. Eradication without alternative development moved production from Colombia’s Guaviare province to Putumayo province; now it is moving to Narino province and Ecuador. Since massive fumigation efforts were launched in December, there has been no change in the US price of cocaine (according to DEA 5/23/01). What is
perhaps the most troubling is that there are complaints of illness and environmental degradation resulting from the fumigation policy our country is pursuing. As long as US citizens crave drugs, greedy drug lords will find new territory to produce their product. As long as there is crushing poverty in the region, there will be a supply of poor farmers to grow coca and poppy. Sending guns to Colombia cannot solve the problems of hunger in Latin America and addiction in the US.

The roots of Andean problems are social and economic as are the roots of many of the problems in this country and the rest of the world. This bill is a good bill, but by far it is not the best. It could go a lot further in addressing the social and economic concerns that fuel many of the world’s problems.

Mr. HALL of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIAZ-BALART. Mr. Speaker, again supporting the rule, urging our colleagues to support it as well as the underlying legislation which is so important, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2506, and that I may include tabular and extraneous material.

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

There was no objection.

LIMITING AMENDMENTS DURING CONSIDERATION OF H.R. 2506, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that during consideration of H.R. 2506 in the Committee of the Whole pursuant to House Resolution 199, each such amendment may be offered after the legislative day of July 19, 2001, except pro forma amendments offered by the chairman or ranking minority member of the Committee on Appropriations or their designees for the purpose of debate; and amendments printed in the portion of the CONGRESSIONAL RECORD of the legislative day of July 19, 2001, or any RECORD before that date, designated for the purpose specified in clause 8 of rule XVIII and not earlier disposed of.

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

There was no objection.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 2002

The SPEAKER pro tempore. Pursuant to House Resolution 199 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2506.

\[1944\] 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 consideration of the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes, with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill. The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the gentleman from Arizona (Mr. KOLBE) and the gentleman from New York (Mrs. LOWEY) each will control 30 minutes.

The Chair recognizes the gentleman from Arizona (Mr. KOLBE).

\[1945\] Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to present to the Members H.R. 2506, the fiscal year 2002 appropriations bill for Foreign Operations, Export Financing, and Related Programs. The privilege of managing this bill, one that provides the wherewithal for a effective and humane foreign policy, means a great deal to me personally. I especially appreciate the trust that the Speaker and the gentleman from Florida (Chairman Young) have placed in me, and I thank my subcommittee colleagues in particular for their advice and support.

When I became chairman of the Subcommittee on Foreign Operations, I set out three priorities for myself: first, reversing the spread of infectious diseases such as HIV-AIDS, tuberculosis and malaria; second, encouraging economic growth through open trade and transparent laws; and, third, improving the moral and economic well-being of the people of Latin America. This is the mission of our committees, the committees of the House responsible for International Development.

Mr. Chairman, I will not say that this bill is the product of bipartisan compromise. It funds the President’s priorities, though there are a few critical differences. Above all, the bill promotes interests abroad, while improving the prospects for a better life for millions of poor people from Latin America to Asia.

H.R. 2506 appropriates $15.2 billion in new discretionary budget authority, approximately $1 billion less than the President’s request, but $304 million more than last year’s request.

The president’s request for the increase over last year is that $676 billion is in the bill in new funding for the Andean Counterdrug Initiative. Members will remember that the initial Plan Colombia adopted by Congress last year was funded by a supplemental appropriation bill, which put the spending outside the boundaries of the subcommittee’s fiscal year 2001 allocation. Now, unlike the original Plan Colombia, approximately half of the Andean Initiative funds long-term economic development and good governance projects.

The committee recommendation fully funds the military and economic aid request for Israel, for Egypt, and for Jordan. Overall, $5.14 billion is provided for the Middle East, and I will return to that region momentarily.

For export and investment assistance programs, the committee is recommending $604 million, which is $137 million below the President’s request, or $18 million above the administration request.

The committee accepts a portion of the proposed cut from the current appropriations for the Export-Import Bank, but provides sufficient funds to maintain current program levels.

For international HIV-AIDS programs, the committee is recommending a total of $474 million. That compares with $315 million in fiscal year 2001. The committee fully funds the President’s request of $100 million for an international AIDS health trust fund, 80 percent of which would be allocated for AIDS. The supplemental appropriation bill which we will consider tomorrow also includes an additional $100 million from current year funds for the international trust fund.

In addition, no less than $414 million is available for bilateral HIV and AIDS programs. This amount exceeds the President’s request by $45 million and the level authorized in law by $114 million. The additional funds are provided by a number of new programs in vulnerable countries such as Burma, where little donor assistance is available to restrict the spread of AIDS.
I am aware that Members will offer amendments to increase funding even further for HIV/AIDS and tuberculosis. Both of these are worthy causes. But I would advise them that the committee has been increasing HIV funding above the request for many years under the gentle prodding from the gentlewoman from California (Ms. Pelosi), the former ranking member of the subcommittee.

Yet our Members are aware that we also need to balance the current enthusiasms with longer-term economic growth and governance programs, because, Mr. Chairman, I would point out that economic growth is the only prescription that enables countries to revitalize health systems and to generate employment, which can improve the standards of living for their people.

In this recommendation, the committee also recognized the continuing importance of basic education, reproductive health, security assistance, export financing. We ask that the Members of the House keep these multiple objectives in mind today and in the next few days as we proceed with this bill.

Overall, for assistance programs managed solely by the Agency for International Development, the committee recommends a total of $3.83 billion, of which $1.93 billion is for child survival and health programs. This is $126 million over the 2001 level and $177 million over the administration request. These totals include $120 million for a grant to UNICEF. It does not include funding for the proposed Global Development Alliance, but we look forward to considering the proposal further as its shape becomes more definitive.

For international financial institutions, the commitment is $3.17 billion. That is $23 million over the 2001 level, but $40 million below the request.

The bill also completes funding for the Heavily Indebted Poor Country Initiative with a final $254 million, and provides an additional $25 million for emergency funding. Funding through the Economic Support Fund for Tropical Forest Debt Relief.

On Tuesday, President Bush called on the World Bank to dramatically increase the share of its funding for health and education in the poorest countries on this globe, but to do so using their grant authority rather than loans. Over the last few years, this committee has urged different administrations to adopt this policy, so I am pleased that it has been embraced by President Bush.

I know many Members have a special interest in the Middle East, so I will describe the committee recommendation for that region in a bit more detail.

The bill before the House continues the policy that was begun 3 years ago that reduces Israeli and Egyptian economic assistance over a 10-year period. Israel's economic support is reduced by $120 million, but military assistance is increased by $50 million. Israel's funding through the Economic Support Fund is $720 million, which will be made available within 30 days of enactment or by October 31, 2001, whichever date is later. Military assistance totals $2.04 billion, and that is also made available on an expedited basis.

We have also included a couple of new initiatives this year dealing with the Middle East. Language in the bill specifies that the PLO and the Palestinian Authority must abide by the cease-fire recently brokered by CIA Director George Tenet. If they are not in substantial compliance, the Secretary of State must impose at least one of three sanctions: closure of the Palestinian information office in Washington; second, the designation of the PLO or one or more of its constituent groups as a terrorist organization; or, third, cutting off all but humanitarian aid to the West bank and Gaza.

The President is allowed to waive these restrictions if he determines it is in the national security interests of the United States. Many of my colleagues would like to go further in sanctioning the Palestinians, and others felt that any language might upset the status of negotiations in the Middle East. But I believe this provision strikes a middle ground and sends the right message to the Palestinians and their leaders, and that is comply with your commitments regarding renunciation of terror and violence, and then no sanctions will be imposed. We are not going back to the beginning of the current violence, but we are saying you must adhere to your commitments that are now made under the Tenet cease-fire as we go forward.

We also included language in our bill to the International Committee on the Red Cross. This otherwise noble institution has failed to admit the Magen David Adom Society of Israel to the International Red Cross and Red Crescent Movement. It is pretty clear that the society's use of the Star of David has triggered the usual opposition from the usual suspects.

The American Red Cross has courageously fought to get the society admitted to the Red Cross movement. They have withheld their dues to the Geneva headquarters of the International Red Cross for the past 2 years. I am proposing that the United States Government do the same until the society is able to fully participate in the activities of the International Red Cross. If the IRC can include national societies from terrorist states like Iraq and North Korea in its movement, then surely Israel is entitled to membership.

For the Economic Support Fund, the President's request would increase funding for Latin America by $50 million, from $120 million to $170 million. There is additional support in the Child Survival and Health Fund for efforts to restrict the spread of AIDS in the Caribbean region. This bill includes an additional $100 million to assist El Salvador in its recovery from two devastating earthquakes earlier this year.

I am pleased that the President's request follows through on his pledge to focus additional resources in the Western Hemisphere. This is one reason I strongly oppose amendments that would cut funding from the Economic Support Fund. We cannot afford to cut funding for Latin America or other sensitive regions such as Lebanon, which is still suffering from the aftermath of the 1998 terrorist attacks.

For the International Fund for Ireland, we are recommending $25 million, the same as last year, but $5 million above the President's request. This program is designed to support the peace process in Northern Ireland and the border counties of the Republic of Ireland.

Our funding for economic assistance to Central and Eastern Europe totals $600 million, and that corresponds to the amount appropriated last year, excluding emergency funding. Funding for Bosnia would decline from $80 million to $65 million. Funding for Kosovo is reduced from $150 million to $120 million.

Our bill anticipates a continuation of the $5 million allocation for the Baltic states to continue our very modest but important assistance programs in those countries. We also strongly support the United States' request for aid to the Western Hemisphere. This is one reason I strongly oppose amendments that would cut funding for our new democratic friends in the Baltic states, Poland and Hungary.

For the states in the former Soviet Union, we fund the Civilian Support Fund, which is increased only slightly, from $810 million to $767 million. The committee continues its support to find a peaceful settlement in the Southern Caucasus region, by providing $82.5 million for both Armenia and Georgia. For Armenia this recommendation is $12.5 million above the President's request. While the committee does not set aside a specific amount for Azerbaijan, the bill would retain exemptions in current law from a statutory restriction on assistance to its government.

The committee supports the struggle for a better life by the people of the Ukraine. Under this bill, Ukraine will continue to receive $125 million, one of our largest aid programs there. Depending on subsequent events in the Ukraine, the committee is willing to consider additional funding for the Ukraine at later stages in the appropriations process.

Assistance for South and Southeast Asia is a relatively small part of our bill, but its importance is far more substantial. Ongoing economic growth and
health programs in India, the Philippines, Bangladesh, and Indonesia provide the framework for subsequent investment by the private sector and multilateral development banks. As we did last year, AID is encouraged to use the Economic Support Fund to renew a basic education program in Pakistan. It is a modest but important start toward renewing our economic assistance program in this country.

We also provide funding for several smaller programs that do not get enough attention, including $38 million for anti-terrorism assistance and $40 million for humanitarian demining programs around the world. Both of these programs help save lives. The Peace Corps is another example, another program that has made an enormous difference in this globe that we all share. We recognize its value and importance, and we support the full request of funding of $275 million.

Mr. Chairman, before I conclude, I want to pay special tribute to my ranking member, the gentlewoman from New York (Mrs. L OWEY), for her cooperation in bringing this bill to the floor and developing the recommendations that we have. I cannot say it strongly enough that she has been a true delight to work with. We have, I think, a very positive relationship; and I think both of us feel that way. But I do not want my expressions of personal regard in this for the gentlewoman from New York (Mrs. LOWEY) to somehow leave the impression among her colleagues on her side of the aisle that she is not doing everything humanely possible to make sure we reduce roles in the 108th Congress. Nonetheless, I hope that is not the case.

Mr. Chairman, I would not want to end my comments without also paying special tribute to the staff members who have helped to make this possible. Our subcommittee staff is led by the able Mr. Charlie Flickner, whose number of years here has given him a special insight into this legislation. He is joined by our professional assistants, John Shank and Alice Grant, and our subcommittee clerk, Laurie Mays. My own personal staff person, Sean Mulvaney, who has worked hard on this bill, has helped to make it possible that we are here tonight.

On the other side, of course, we have Mark Murray and the gentlewoman's personal staff person, Beth Tritter, who I think have contributed tremendously to this legislation; and I thank them personally for their contributions to this legislation.

Mr. Chairman, I am proud of this bill. By the time I think the Committee of the Whole completes its consideration, I am optimistic that an overwhelming majority of the House will endorse the committee's recommendations.

Mr. Chairman, I include the following tables for the RECORD.
### FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)
(Amounts in thousands)

<table>
<thead>
<tr>
<th>FY 2002 Entitled</th>
<th>FY 2002 Request</th>
<th>Bill</th>
<th>Bill vs. Entitled</th>
<th>Bill vs. Request</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TITLE I - EXPORT AND INVESTMENT ASSISTANCE</strong></td>
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<tr>
<td><strong>EXPORT-IMPORT BANK OF THE UNITED STATES</strong></td>
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<td>Subsidy appropriation</td>
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<td>863,523</td>
<td>753,523</td>
<td>-111,977</td>
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<tr>
<td>(Direct loan authorization)</td>
<td>(895,000)</td>
<td>(863,523)</td>
<td>(753,523)</td>
<td>(111,977)</td>
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<tr>
<td>(Guaranteed loan authorization)</td>
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<td>(11,205,000)</td>
<td>(12,700,000)</td>
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<td>(Direct loan authorization)</td>
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<td>(Loan authorizations)</td>
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<td><strong>TITLE II - BILATERAL ECONOMIC ASSISTANCE</strong></td>
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<td><strong>FUNDS APPROPRIATED TO THE PRESIDENT</strong></td>
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<td>Child survival and disease programs fund</td>
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<td>UNICEF</td>
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<td>(112,000)</td>
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<td>(110,000)</td>
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<td>971,000</td>
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<td>(by transfer)</td>
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<td>(6,000)</td>
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<td>Micro &amp; Small Enterprise Development program account:</td>
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<td>Subsidy appropriation</td>
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<td>(Guaranteed loan authorization)</td>
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<td>-500</td>
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<td>(by transfer)</td>
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<td><strong>Other Bilateral Economic Assistance</strong></td>
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<td>Economic support fund</td>
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<td><strong>INDEPENDENT AGENCIES</strong></td>
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<tr>
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<td>(by transfer)</td>
<td>(12,000)</td>
<td>(12,000)</td>
<td>(12,000)</td>
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### FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506) — Continued

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<tr>
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<td>217,000</td>
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<td>311,000</td>
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<tr>
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<td>United States community adjustment and investment program</td>
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<td>Total, Title II, Bilateral economic assistance (net)</td>
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<td>9,481,880</td>
<td>9,415,422</td>
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<td>Total, Title III, Military assistance (net)</td>
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<td>Title IV - Multilateral Economic Assistance</td>
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<td>International Financial Institutions</td>
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<tr>
<td>World Bank Group</td>
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<tr>
<td>Contribution to the International Bank for Reconstruction and Development: Global Environment Facility</td>
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<td>155,000</td>
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<tr>
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<td>Contribution to the Asian Development Bank: Paid-in capital</td>
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<td>Total</td>
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<td>Contribution to the European Bank for Reconstruction and Development: Paid-in capital</td>
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<td>Contribution to the European Bank for Reconstruction and Development: Paid-in capital</td>
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<tr>
<td>Total</td>
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FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS BILL, 2002 (H.R. 2506)—Continued
(Amounts in thousands)

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<tr>
<td>Appropriation</td>
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<td>Total, title IV, Multilateral economic assistance</td>
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<td>(293,230)</td>
<td>(293,230)</td>
<td>(17,457)</td>
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<td>(By transfer)</td>
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<td>(293,230)</td>
<td>(293,230)</td>
<td>(-17,457)</td>
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<tr>
<td>(Loan authorizations)</td>
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<td>(13,070,000)</td>
<td>(15,324,500)</td>
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CONGRESSIONAL BUDGET RECAP

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<td>14,908,568</td>
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<td>44,880</td>
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<tr>
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<tr>
<td>-458</td>
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July 19, 2001 CONGRESSIONAL RECORD—HOUSE 13879
Mr. Chairman, I reserve the balance of my time.

Mr. LOWEY. Mr. Chairman, I yield myself such time as I may consume, and I rise in strong support of the fiscal year 2002 Foreign Operations Appropriations Act.

I urge my colleagues to support this bill, which represents a product of close cooperation between the majority and the minority. I have always said that the United States draws its strength as a global leader from the consistent bipartisanship of our foreign policy. The bill we have before us today represents the very best that bipartisanship and compromise can achieve, and I am very proud to support it.

The bill provides the entire amount requested by the President for Foreign Operations, which is nearly $2 billion above last year’s level, and we achieved at this point in the process last year. I have stood here during the debate over this measure in past years disappointed that we did not have the resources to adequately address our foreign policy priorities. But, I still believe that this is true. We have done a good job of prioritizing resources within our $15.2 billion allocation, but we can do better, and I am hopeful we will eventually achieve a level closer to the Senate’s $15.5 billion allocation for fiscal year 2002, and I hope that we will have more resources to disburse in future years.

I am pleased that the bill provides a total $474 million for HIV/AIDS. Of this amount, our bilateral HIV/AIDS funding totals $414 million, nearly $100 million above last year’s level; and we fully fund the President’s request for a $100 million down payment to a global HIV/AIDS trust fund. The other $100 million in commitment was requested from the Labor-HHS bill, and I look forward to working on that subcommittee to make sure we provide these funds as well.

HIV/AIDS is an international crisis, as we know; and the United States has a responsibility to lead the way on every front from treatment to prevention, to caring for AIDS orphans, to crafting a coordinated global strategy. I am proud that this bill has significantly ramped up its support for these initiatives in recent years, and I hope that we can continue this trend.

The gentleman from Arizona (Mr. Kolb) and I also worked together to achieve an overall level of $150 million for basic education. Development initiatives like education are the key stones to achieving stable, healthy societies around the world. Education is one of the most cost-effective of all of our foreign assistance investments; and the collateral effects of educating children, and especially girls, are profound. I am pleased that we could provide increases over the President’s request for education and for other development assistance priorities.

The bill significantly increases the President’s request for the Export-Import Bank, which I know is a top priority for many of our colleagues. We were able to increase United States funding for UNICEF by $10 million and the United Nations Development Program by $10 million. Both of these organizations do excellent work, complementing United States bilateral programs in the developing world and maximizing the impact of our foreign assistance dollars.

It is significant that the gentleman from Arizona (Mr. Kolb) and I took our first trip together as chairman and ranking member to the Middle East, and I am pleased that we worked together to make some strong statements in this bill in support of the United States-Israel relationship and the quest for peace and stability in that region.

We fully fund Israel’s aid package, reinforcing our commitment to maintaining strong ties between our two countries and ensuring that Israel, our closest ally in the region, will maintain its qualitative military edge. We continue assisting in the resettlement in Israel of refugees from the former Soviet Union and Ethiopia. We send an unequivocal signal to Chairman Arafat that we expect him to take concrete steps to end the violence and terrorism that has gripped the region, and we signal to the International Committee of the Red Cross that we expect the pattern of prejudice against Magen David Adom to end.

Mr. Chairman, despite our successes, I do not believe that this bill will adequately fund all of our foreign assistance priorities; and there are some key areas where it needs substantial improvement. The bill includes $425 million for family planning assistance and $25 million for the UNFPA. I had hoped we could increase our contribution to the life-saving work of the UNFPA and that we could return to the 1995 level of $541.6 million for bilateral family planning assistance. The need for these programs far outpaces the supply, and I believe we should be providing more resources to help women plan their pregnancies and give birth to healthy children.

I remain deeply disappointed that the President chose to reinstate the global gag rule restrictions on our bilateral family planning assistance and that this bill is silent on this important issue. As long as the global gag rule remains in place, we limit the impact of the assistance we provide in almost every part of this bill; and I can assure my colleagues that I will work hard during conference both to boost our family planning assistance and to repeal the global gag rule.

There is not enough money in this bill to address the scourge of infectious diseases such as TB and malaria, which cause complications and deaths among the HIV positive population; and I strongly believe that funding for HIV/AIDS and other infectious diseases, increasing support for maternal health, educating boys and girls, supporting micro credit and other financial services, giving women the tools to become leaders in proportional development, and making a potential to contribute to so many of these initiatives will take a far larger investment than we provide today.

I also remain disappointed that the bill before us does not adequately address the devastation that Peace Corps volunteers have endured from two major earthquakes. We have invested billions of dollars in encouraging stability in that country, and I fear our past successes will be reversed if we do not act quickly and decisively. Given this body’s past commitments to helping Latin America recover from horrible disasters, given the importance of that region to our country, our paltry commitment is troubling; and I sincerely hope we can address this issue in conference.

I also share the concern of many of my colleagues on both sides of the aisle about the Andean Regional Initiative, the successor program to Plan Colombia. When Congress supported $1.3 billion and mostly military assistance to Colombia and other countries in the region last year, we believed that our funds would be supplemented by a substantial investment of economic assistance on the part of our European friends. Well, not only did the European contribution not come to fruition, but our own economic assistance has moved extremely slowly.

We have begun a campaign of fumigation without giving farmers ample opportunity to voluntarily eradicate coca crops. We have realized no benefits from our programs in terms of increased stability and prosperity in Colombia, and I think we need to take a careful look at this program before we allow it to continue. Mr. Chairman, I look forward to having a thorough debate on this topic as this bill proceeds.

It is truly an honor and a privilege, Mr. Chairman, for me to serve as ranking member of this subcommittee; and I am confident in my belief that our foreign assistance is both a moral imperative and a national security necessity. As a fortunate Nation, we cannot turn our backs on the terrible heartbeat
and suffering in the world; and we must live up to our responsibility to help those who have been left behind. As a global leader, we must recognize that the United States will reap the benefits from the stability nurtured by our aid.

I must say, in conclusion, that it is a true honor for me to serve with the gentleman from Arizona (Mr. KOLBE), the chairman of the subcommittee, who, I believe, shares my commitment to a robust foreign assistance program. Since we both assumed our new positions in the 107th Congress, we have addressed the extraordinary challenges and opportunities of this bill together. I sincerely appreciate our close cooperation. I look forward to continuing to do good work together. It is a real honor, I say to the gentleman, to serve with him and to work on these important projects.

I also want to thank the members of the subcommittee and the staff who have been so instrumental in putting this bill together. I particularly appreciate the hard work of Mark Murray, Charllie Flickner, John Shank, Alm Grant, Lori Maes, Sean Mulvaney, Beth Titter, and all of the associate staff members for the majority and minority members.

In conclusion, it is truly a privilege for me to serve in this capacity, working with the gentleman from Arizona (Mr. KOLBE).

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

Mr. KOLBE. Mr. Chairman, I thank the gentlewoman for her kind remarks.

It is my great privilege to yield 5 minutes to the gentleman from Michigan (Mr. KNOLLENBERG), a very able member of this subcommittee and a very knowledgeable member and one who takes this very seriously.

Mr. KNOLLENBERG. Mr. Chairman, I want to thank the gentleman very kindly for those kind words; and I also want to rise in strong support of this appropriations bill. I want to suggest that my colleagues on both sides of the aisle rallied in support of this bill because this year, I think especially, we have an extraordinary bill.

I must commend the gentleman from Arizona (Mr. KOLBE) for his hard work and leadership as chairman of this subcommittee, who has consistently sought to accommodate all members, and I want to include myself in that group, because we all have different thoughts about how to prepare, how to put this bill together. But he has remained focused on bringing about a responsible and effective bill before us here today. Not an easy task, but one he has accomplished, I believe, with skill.

I want to additionally thank my good friend, the gentlewoman from New York (Mrs. LOWEY), our ranking member, for her leadership and her effort. As we have in years past, members from both sides of the aisle have once again worked together to make important progress on a number of foreign assistance issues. I thank the gentlewoman for her friendship and cooperation.

Obviously, the staff, the extraordinary staff needs a great deal of thanks here, too, because they have been performing great work for us, a contribution that frankly has resulted in a bill that would not have been without their efforts, so I thank them, all of them, for their efforts.

Foreign assistance remains an inseparable element of our Nation's overall foreign policy, including national security and economic interests. This is a responsible bill that effectively allocates the foreign assistance that we have available, while providing vital support for our Nation's interests.

This bill provides, as my colleagues probably already mentioned, export financing for the Export-Import Bank, which is $120 million greater than the President's request. With this funding, I hope the bank will be able to maintain at least the level of activity experienced this year.

The Export-Import Bank, sometimes looked upon as an unnecessary item, really has a critical role to play in support of American exports and the businesses and the workers who supply those products. Without support from Ex-Im, billions of dollars in American exports simply would not go forward.

Ex-Im is especially important for small businesses. Small businesses benefit from over 80 percent of the bank's transactions. These exports remain crucial to our economy, and I will continue to support Ex-Im throughout the appropriations process. And I again want to thank the gentleman from Arizona (Mr. KOLBE), the chairman, for his leadership in this effort to get more money into this account.

One of the most important elements of U.S. foreign policy in this legislation is the annual assistance package to the Middle East.

The United States has a vital role and has played a vital role in the Middle East for several decades. That role should and will continue. Congress has a responsibility to help shape our policy toward the Middle East through the financial assistance provided in this bill. Decisions regarding this funding must be carefully considered to ensure that a proper balance is maintained.

I am also pleased that this bill fully supports the administration's request for assistance to our ally, Israel, the only democracy in the Middle East.

I am also pleased that this bill continues funding for the excellent U.S. aid mission in Lebanon, as well as important programs in Egypt, Jordan, the West Bank, and Gaza.

Together, these programs play a key role in advancing U.S. interests in the Middle East, including fostering credibility and stability at this crucial time. These programs should be continued, and this bill appropriately maintains them.

The bill also strengthens our relationship to our friend and ally, Armenia. This year we have seen some progress in efforts to resolve the conflict among Armenia and Azerbaijan, Nagorno-Karabagh. During this time, Armenia has consistently shown its commitment toward a lasting peace, and has made notable progress with its economy and its effort to eliminate corruption.

The assistance we provide remains important to these efforts. Therefore, I am pleased that this bill increases assistance there by $12.5 million over the President's request. I should note, however, that this is still a little less than last year. I look forward to working with the chairman in conference to develop some additional assistance on that issue.

The legislation contains language directing the administration to release the remainder of the $20 million provided in 1998 for victims of the Nagorno-Karabagh conflict. There is great need in Nagorno-Karabagh, and USAID has an obligation to commit this money immediately.

Mr. Chairman, there are other important programs in this bill, including microenterprise loans, foreign military financing for the Baltic countries, the resettlement of refugees in Israel, and, of course, also significant funding beyond the President's request to continue the fight against HIV/AIDS and the crisis in Africa and around the world.

This is a good bill. I recommend that everyone get behind this bill and support it. Both sides I think will realize so much has been done with so little money.

Mrs. LOWEY. Mr. Chairman, I am pleased to yield 4 minutes to the gentleman from Texas (Mr. LAMPSON).

Mr. LAMPSON. I thank the gentlewoman for yielding time to me.

Mr. Chair, the gentleman from Arizona (Chairman KOLBE) and I have agreed to a colloquy on my amendment to transfer $60,000 from title III relating to the Foreign Military Financing Program account to title IV relating to International Organizations and Programs account.

Mr. Chairman, this $60,000 is intended to cover the cost of expenses relating to the development of a Guide to Best Practice by the Permanent Bureau of the Hague Conference on Private International Law to cover the application of the Hague Convention on the Civil Aspects of International Child Abduction.
Many of my colleagues have heard my drumbeat over the past years regarding problems with the Hague Convention on Civil Aspects of International Child Abduction. We must encourage uniform application of exceptions identified in the Hague Convention.

This is jeopardizing the Hague Convention's effectiveness and perverting its original intent. A best practice guide might discuss training for legal professionals, encourage implementation of more effective civil enforcement systems, support for victim families, and improved access to noncustodial or left-behind parents.

The gentleman from Ohio (Mr. CHABOT) and I attended the Fourth Special Commission on the Hague Convention on Civil Aspects of International Child Abduction a child across border March. The special commission recommended that a best practice guide be developed. The Hague Conference on Private International Law is seeking voluntary contributions from member states to assist in funding this best practice guide, which would cost approximately $80,000 for the United States's portion.

The completion of a best practice guide would be an inventory of existing central authority practices and procedures that is a practical know-how-to guide to help practitioners, judges, central authorities to implement the Hague Convention in a better way and as it was originally intended. It will draw upon materials published and otherwise provided by the central authorities themselves, in addition to the National Center for Missing and Exploited Children, the International Center for Missing and Exploited Children, and other nongovernmental organizations.

My request is driven by the need to bring about greater consistency, but more importantly, to provide a mechanism for bringing more American children home. Unless urgent and rapid action is taken, more and more children will be denied their most basic human right, that of having access to both their parents.

The challenge is now to find commitment at both the national and international levels to implement these actions. Abducting a child across border is never in a child's best interests. In the meantime, the Hague Convention must be applied uniformly, fairly, and above all, swiftly.

Only when countries accept that child abduction is not to be tolerated will it become a thing of the past. Family disputes and divorce will never go away. Parental child abduction, however, must be eradicated.

Mr. Chairman, I thank the gentleman from New York (Mr. CROWLEY) for bringing this to our attention. I appreciate his offer to work with me as the foreign operations bill moves forward and goes to conference with the Senate to do everything in his power to make sure that $60,000 is designated for the purpose of developing and disseminating a best practice guide.

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

Mr. LAMPSON. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I thank the gentleman from Texas for yielding to me.

I appreciate very much the comment he has made here this evening and his interest in this program and bringing this to our attention. As the gentleman said, this is a very small amount of money in the grand scheme of things. It would accomplish the goal of creating more consistency across-the-board with regard to the Hague Convention on Civil Aspects of International Child Abduction.

I would say to the gentleman that it is certainly my intention to work with him to accommodate his request as the foreign operations appropriations bill moves forward to conference, that I do suspect that there may be more funds that are available to us that will be added to the International Organization and Programs Account, so we hope this would be possible to do that.

I thank the gentleman again for bringing this to our attention.

Mr. LAMPSON. Mr. Chairman, I will withdraw my amendment, and thank the chairman for his good work.

Mr. KOLBE. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Iowa (Mr. NUSSLE), the distinguished chairman of the Committee on the Budget.

Mr. NUSSLE. I thank the gentleman for yielding time to me. Mr. Chairman. I rise in support of H.R. 2506, a bill providing the appropriations for foreign operations, export financing, and related programs. As chairman of the Committee on the Budget, I am pleased to report today that this bill is within the appropriate levels of the budget resolution and complies with the Congressional Budget Act.

H.R. 2506 provides $15.2 billion in budget authority and $15.1 billion in outlays for fiscal year 2002. The bill does not provide any advanced appropriations or designate any emergency appropriations.

The amount of the new budget authority provided in this bill is within the 302(b) allocation of the subcommittee, and is also compliant with section 301(f) of the Budget Act, which prohibits consideration of measures that exceed the reporting subcommittee's 302(b) allocations.

In summary, this bill is consistent with the budget resolution that the Congress has agreed to earlier. On that basis, as well as for the content there-in, it is worthy of our support.

I support this bill, and I congratulate the gentleman from Arizona (Chairman KOLBE) on his fine work, as well as the other subcommittee members, in bringing this bill to the floor.

Mrs. LOWEY. Mr. Chairman, I am pleased to yield 2 minutes to the gentleman from New York (Mrs. LOWEY), for crafting a fair and comprehensive bill that addresses the needs of many nations throughout our world.

As conflicts continue around the globe, from Northern Ireland to the Middle East, this bill has taken the appropriate steps to provide the tools for future prosperity and the potential for true reconciliation.

The Middle East package includes funding for Israel and Egypt, as well as essential funding for Jordan and Lebanon.

Furthermore, the funding provided for the International Fund for Ireland in the amount of $25 million is a crucial investment in facilitating an environment in Northern Ireland in which all sides can live together and prosper for a common good.

Though I strongly support the passage of this bill, I have many concerns regarding the Andean Initiative. In spite of the fact that this funding is a vast improvement over Plan Colombia, I believe it fails to address the need of countries such as Ecuador to effectively battle in combat the spillover effect from the drug war and conflict in Colombia.

Ecuador has been a true friend and ally, and deserves better treatment from us in this bill. It is my hope that these funding deficiencies will be addressed and rectified in conference.

Having said that, I want to congratulate the gentleman from Arizona (Mr. KOLBE) and the gentlewoman from New York (Mrs. LOWEY) for their diligent work on this bill, and I urge my colleagues to support its passage.

Mr. KOLBE. Mr. Chairman, I am very pleased to yield 3 minutes to the gentleman from North Carolina (Mr. BALLINGER), a very distinguished senior member of the Committee on International Relations, and probably the leading expert in the House of Representatives on Central America and on Latin America. His devotion to that region is tremendous.

Mr. BALLINGER. Mr. Chairman, first I would like to thank the gentlewoman from Arizona (Chairman KOLBE) for allowing me to speak on this bill.

Mr. Chairman, I rise today in support of the foreign operations bill, and especially the provisions that fund the U.S. support of the war on drugs in the Andes.

Over the years, I have traveled to the Andean region a number of times to see firsthand the efforts being made to
stop drug trafficking. Although these efforts are nothing short of heroic, the war has yet to be fully won. Last year I worked with the gentleman from Illinois (Speaker HASTERT) and many other colleagues to develop and pass Plan Colombia, an aid package which so far has done much to fight the production and trafficking of illegal drugs in the region's biggest producer, Colombia.

During my visits, I met with officials of the Columbian National Police and the U.S.-trained army counternarcotics battalions who are now stationed at the front of this drug war. I am convinced that the tide is finally rising to our advantage. This is a credit to the bravery of the Colombians and the support of the United States. Changing course now, as some of my colleagues have proposed, would be a fatal mistake for Colombia, the Andean region, and the United States, and especially our children. Mr. Chairman, let us face it, illegal drugs are killing our children. In every congressional district in America, hospital emergency rooms are treating young children who overdose on illegal drugs. Some of these kids die. Recent statistics show that 90 percent of the cocaine and 70 percent of the heroin seized in the U.S. originated in Colombia. So why are there amendments being offered to cut funding for the Andean Counterdrug Initiative and the drug crop eradication programs when it appears that the counternarcotics effort in the region is just starting to have some success?

I have long supported the U.S. efforts to support the brave work of the Columbian National Police and the newly-formed counternarcotics battalions of the Colombian Army to fight the drug trafficking. Plan Colombia is a sound policy which is only now beginning to implement. The counternarcotics initiative contained in this bill will ensure that work being done under Plan Colombia will continue. With time, the appropriate equipment, and continued support from the United States, Colombia and its Andean neighbors will be able to strike a blow to drug trafficking in their own countries, and thereby greatly reduce the amount of illegal drugs ending up in our streets with our children.

I believe that fighting the drug trafficking is in the national interest of the United States. We must fully support Colombia and its neighbors for as long as it takes to win this drug war. Cutting funds for the Counternarcotics Initiative now is wrong-headed, dangerous, and could jeopardize the future of the democracy in the Andes, as well as the lives of American children.

Mr. Chairman, I urge my colleagues to vote in favor of this bill.

Mr. KOLBE. Mr. Chairman, I am happy to yield 3 minutes to the gentleman from Indiana (Mr. SOUDER), who has been an outstanding person working on drug interdiction issues and the drug war.

Mr. SOUDER. Mr. Chairman, I thank the chairman for yielding time to me. Mr. Chairman, I rise in strong support of this bill for a number of reasons. I would also like to initially say that I appreciate the strong support for Israel in its present crisis, surrounded by people desiring its destruction. It is very important in these times that we stand with our friends.

Also, I have talked with the chairman about the support for Macedonia, another friend of ours in the Balkans crisis, which has now been driven into internal conflict because they stood with us, and it is important as we watch this conflict, and I am sure in Macedonia, that we keep additional funds are needed through this process, that they will be there.

Mr. MALONEY of New York. Mr. Chairman, I rise in strong support of this bill and commend the chairman, the gentleman from Arizona (Mr. KOLBE), and my good friend and colleague, the gentlewoman from New York (Mrs. LOWEY), for her great leadership.

Mr. Chairman, this is a strong bill that recognizes and includes our national security and our national interests; that funds our allies in the Middle East like Israel, Egypt, Jordan, and others; and that funds the important International Fund for Ireland, Cyprus and many other important allies. In addition, it funds the child survival account, USAID, UNFPA, and takes into account and funds the AIDS crisis.

But in this bill we are being asked to consider a substantial increase in aid for Peru. Peru has made substantial advances in recent years in democratizing its system and improving its economy. These improvements certainly deserve our support and assistance. But Peru has imprisoned an American citizen, Lori Berenson, a constituent of mine, under anti-terrorism laws that have been condemned by the international human rights organization.

Lori served 5½ years in prison under extremely harsh conditions for a crime that Peru now agrees she did not commit. At her recent civilian trial, Lori was acquitted of the leadership or membership of a terrorist organization. For more than 5 years, Peru insisted that Lori was the leader in a terrorist movement. For that crime she was imprisoned in Peru's highest security...
prison for leaders of terrorist movements. Now they concede that she was not even a member. At all times Lori has renounced the innocence of the charges against her, and during her recent trial she publicly denounced all forms of terrorism and violence.

Lori’s health has been damaged, and I will submit for the RECORD a complete record of all the health problems that she now suffers from.

From the beginning, Members of Congress have supported her. And recently over 142 Members joined me in a letter to the current president asking him to pardon Lori before he leaves office. In his recent meeting with President-elect Toledo, President Bush said that humanitarian factors should be taken into account in the final resolution of Lori’s case. President Bush’s conversation with President Toledo sends a very important message to Peru: the United States will not forget Lori Berenson.

We should send Peru another message. It is troubling to me that we are giving so much nonhumanitarian aid to Peru when they have treated an American citizen so badly. If she is not released on humanitarian grounds, Congress should take appropriate action.

Mrs. LOWEY. Mr. Chairman, how much time is remaining?

The CHAIRMAN. The gentlewoman from New York (Mrs. LOWEY) has 10 1/2 minutes remaining.

Mrs. LOWEY. Mr. Chairman, I yield 5 minutes to the gentlewoman from California (Ms. PELOSI), an outstanding member of the committee, the former ranking member of the committee.

Ms. PELOSI. Mr. Chairman, I thank the gentlewoman from New York, our distinguished ranking member, for yielding me this time, and commend her for her tremendous leadership as ranking member, and really over time on the issues that are in this bill and so many more. I also want to join in commending our distinguished chairman, who, as has been acknowledged, is a very agreeable chairman to work with, in the tradition of bipartisanship of this subcommittee.

I think they did a great job with what they had to work with. The priorities are good. And of course the gentleman from New York (Mrs. LOWEY) has been our champion on so many of the issues in the bill, and I want to associate myself with the remarks she made in her opening statement because I think it was a fine presentation, as always, on her part.

I do have some areas of disagreement with the general bill, not with the gentlewoman from New York but with the general bill, so I wanted to take a few moments to express those. I will have an amendment which is not going to be in order, but at least I want to talk about it for a moment.

I do not think that the bill gives sufficient resources, sufficient to match the compassion of the American people or the needs of the people of El Salvador in response to the earthquakes in El Salvador. First, there was one earthquake, where hundreds of people were killed and hundreds of thousands of homes destroyed and people made homeless in January. And then, as fate would have it, in February another earthquake struck, compounding the tragedy enormously.

Traditionally, we, the United States, have provided 40 percent of the outside international assistance to meet these needs. We do not come anywhere near that in this bill. In any event, I am hopeful that at the end of the legislative process, that there will be more funds, because there certainly is tremendous need.

Another area of disagreement I have in the bill is with, what are we calling it now, Plan Colombia? The Andean Initiative. I believe it was called the Andean Initiative. I believe it is called now. I opposed it when President Clinton proposed it in his supplemental bill when he was in office, and I have opposed it in supplemental this time, in subcommittee, full committee, and I will on the floor as well when now the McGovern amendment will be presented next week.

But let me just say this briefly. For us to say that we need to send billions of dollars, billions of dollars, to Colombia in order to reduce demand on drugs in the United States just simply does not make sense. Now, if we have another agenda in Colombia and we want to help the Colombian people, then I think we can find a better way than sending military assistance to Colombia. We should stop the justifications, which was to reduce demand in the United States, I want to remind my colleagues that the RAND report tells us that to reduce demand by 1 percent in the U.S. by using treatment on demand, it costs about $32 million. To do that so by eradication of the coca leaf in the country of origin, it costs 23 times more than that, over $700 million, to reduce demand by 1 percent.

There are 93% million addicts in the country (treatment); 3/4 million do not. The money we send to El Salvador would take care of about 10 percent only of those addicts to reduce demand. However, we are not even matching domestically what we are sending to El Salvador. We will talk, when the McGovern amendment comes up, about particulars as far as the military is concerned.

I seem to have dwelled on areas of disagreement; yet I wish to commend the chairman, and also the ranking member for the increase in international AIDS funding both on a bilateral basis and through the trust fund. I would like to see more money in for infectious diseases, which the McGovern amendment strives to do, but I do want to commend the chairman once again for the spirit of cooperation that they brought to this very important bill.

Mrs. LOWEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the distinguished gentlewoman from New York, and I would like to thank both the chairman and the ranking member for a very strong commitment of the United States to its foreign policy through this legislation.

I would like to engage both the ranking member and the chairman in a colloquy. I appreciate the opportunity to share with you my concern for the continuing human rights violations committed by the Ethiopian Government. I have frequently voiced my serious concerns about the human rights practices of the Ethiopian Government.

Recently, I was very concerned to learn of an indiscriminate attack by police forces on the campus of Addis Ababa University on April 11, 2001, in the wake of peaceful demonstrations. I understand that as many as 41 brave individuals were killed or near the Addis Ababa University, while another 250 persons were injured in an inhuman attack by police forces. I hope my colleagues will join me in denouncing such human rights violations.

As an aside, my colleagues know that my predecessor, Mickey Leland, died in Ethiopia trying to help the starving Ethiopians at that time.

Mrs. LOWEY. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Chairman, I share the concerns enunciated by my colleague, and I hope the Congress continues to monitor the human rights situation in Ethiopia closely.

Ms. JACKSON-LEE of Texas. Reclaiming my time, I thank the gentlewoman; and as I indicated, I want to thank the chairman for his concern as well and particularly his concern about human rights abuses.

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

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Arizona.

Mr. KOLBE. I thank the gentlewoman for yielding, and I thank her for her interest and her involvement in this issue. I am also concerned, as is the ranking member, when Ethiopia is cited for human rights violations. And I can assure the gentlewoman from Texas that we will continue to monitor the situation in Ethiopia.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I look forward to working with both of my colleagues; and as I indicated, I know Mickey Leland, who
served in this body, would be very proud that we would carry on his tradition of protecting the human rights of all citizens, and particularly those in Ethiopia.

Mrs. LOWEY. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Chairman, I want to thank my good friend, the gentlewoman from New York (Ms. PELOSI), and those in the majority party who have been helpful on the Microenterprise Loans for the Poor Program.

Certainly this is one of the most important programs that the United States engages in which primarily benefits not only the poorest of the poor and the most vulnerable of the vulnerable out there in the world, but it also helps grow small businesses, and it helps primarily women. We want to continue to show our very strong support for this program and do it by making sure that programs have a sufficient amount of money. I believe this bill has $155 million. Last year, we authorized the bill at $167 million.

I would hope this bill would continue to move forward in appropriating even more money for the Microenterprise Loans for the Poor Program and also provide the microcredit programs with the poverty assessment tools, the ability for the microenterprise programs to work with USAID and target these funds to the poorest people that are eligible in the different parts of the world where this program really benefits growing small businesses, helping families, and targets aid to help our allies all across the world.

Mr. Chairman, I want to thank the gentlewoman from New York (Mrs. LOWEY) and the gentlewoman from California (Ms. PELOSI) for their strong help. I want to continue to encourage the gentleman from Arizona (Mr. KOLBE), the chairman, to fund and conference this program at the authorized level. I think we could go about $12 million higher and also work with the microcredit programs to work on this poverty assessment tool.

Mrs. LOWEY. Mr. Chairman, I yield back the balance of my time.

Mr. KOLBE. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Chairman, I thank the chairman and the ranking member of the subcommittee and all of their good work on a bipartisan basis in crafting out this bill.

I think it is important for us to remember a lesson from the gospel of John in which we are told "to those who have much have been given, much is expected."

That is why the United States of America is engaged in so many different areas around the globe. We have been a very affluent country. We are the most affluent country in the world. Therefore, it is incumbent upon us to be world leaders in our ability to help.

This bill makes many, many statements about our values. Values about health care as we have addressed problems with land mines and displaced children and AIDS around the globe. Values about peace, military assistance, nonproliferation assistance, the Western Hemisphere School for Peace in Latin America. Values about jobs as we work through trade in Ex-Im Bank and USAID and various financing mechanisms. Values about drugs as our anti-narcotics control and our cooperation for them, our efforts. Values about the environment, the debt for development, saving the tropical rain forests around the globe. International assistance because we are so blessed.

Mr. Chairman, one of things people back home ask me is, why do we have a foreign aid bill? I say, just think about Rwanda. Several years ago we saw the picture of the children, of the 800,000 people who were killed. As Americans, what do we want to do? We wanted to respond to our natural goodness, to go out and give aid and assistance to the people in that poor country.

That is what we are doing with the foreign aid bill, this Foreign Operations Appropriations bill here tonight. We are saying we are going to act proactively so we can act reactively a little bit less and help the rest of the world enjoy all of the fruits and benefits that we as an American people have so enjoyed in this century. We are going to continue that involvement.

Mr. Chairman, I look forward to the debate on this bill and look forward to its final passage.

Mr. HASTINGS of Florida. Mr. Chairman, I rise today to commend the efforts of several Florida-based institutions who are working to address the too-often ignored problem of Mother-to-Child-Transmission of HIV–AIDS in Africa.

We have spoken much about the overall crisis of HIV–AIDS in Africa, but the aspect of innocent children on the Continent contracting HIV–AIDS has not been as widely discussed. According to the most recent statistics from UNAIDS, the rates of HIV infection among African women are high. In several countries, more than 15 percent of women of reproductive age have contracted the virus. As high as 35 percent of these women will pass on the virus to their children curing pregnancy, during labor and delivery or during breast-feeding.

Already, more than 600,000 African children age 14 or below have died from HIV–AIDS, and an additional one million African children are now living with the disease.

Mr. Chairman, the Foundation for Democracy in Africa, through its Institute for Democracy in Africa based in Miami, Florida, is leading efforts to help institutions in African countries ensure that their medical personnel to properly handle HIV-positive mothers so that their babies do not join the growing list of victims of this merciless killer disease. The Foundation is currently working with the University of Miami’s Jackson Memorial Hospital to develop a comprehensive HIV–AIDS treatment strategy for African national medical universities, which is being encouraged and facilitated by Miami-Dade County.

Mr. Chairman, I urge my colleagues to encourage their own local and state institutions to put in place efforts to use their resources and expertise in the fight against the scourge of HIV–AIDS in Africa.

Mr. DINGELL. Mr. Chairman, I rise in support of H.R. 2506, the Foreign Operations Appropriations bill for FY 2002. I commend the efforts of my colleagues on the Appropriations Committee who worked hard to guarantee that this bill adequately funds U.S. programs in the Middle East that help facilitate peace. I am particularly pleased that H.R. 2506 allocates $35 million in funding for economic and educational programs in Lebanon. This bill also provides needed assistance to Egypt and Jordan, key to the President’s efforts. I believe we have worked diligently with the U.S. to bring about an immediate cessation of violence and a comprehensive, permanent peace agreement between Israelis and Palestinians.

While overall I am pleased with the funding levels in H.R. 2506, I am troubled by the language of this legislation that blames the Palestinian Authority—and solely the Palestinian Authority—for the violence that has consumed the Occupied Territories and Israel since September 28, 2000. It was on that date, I would note, that the Al Aqsa Intifada was sparked by the reckless, provocative act of a desperate Israeli politician, Ariel Sharon, who has since become Israeli Prime Minister.

I believe the United States must be engaged and committed to bringing about a fair and lasting peace to this troubled land. The U.S. must act as a fair and unbiased arbiter in the peace process. If we take biased positions and pass one-sided pieces of legislation, we hinder our ability to broker peace. The United States is the only nation who can broker peace between the Palestinians. However, when we take sides, hope wavers and desperation increases. Desperation leads to fear and anger, which in the Middle East begets violence between the Israelis and Palestinians. This, in turn, raises tension in the region and increases the likelihood of the outbreak of a larger regional war.

Mr. Chairman, Section 563 of this bill requires the President to submit a report to Congress determining whether the Palestinian Authority has taken steps to comply with the 1993 Oslo Agreement and prevent attacks on Israelis. If the President does not determine that the Palestinians have fully complied, this section would not only cut off U.S. assistance to the Palestinians—none of which, incidentally, is given directly to the Palestinian Authority or the PLO—but also shut down their Washington office and insure that the American people hear only one side of this 53-year-old conflict.

On April 30, 2001, the Sharm el-Sheikh Fact-Finding Committee, headed by George Mitchell, issued its report on the current conflict. The Mitchell Report highlights the fact that both the Palestinian and Israeli governments can and should do more to halt the bloodshed. It concludes that neither government is currently working toward peace for the benefit of the victims of this conflict, and it calls on the United States to help bring about a peaceful resolution to the conflict.
debate has expired.

interested in ending this deep, bitter conflict as a cosponsor of a constructive piece of leg-

recommendation does not blame the ongoing violence on the Palestinians, nor does it blame the

Middle East region, and the world. This resolution does not blame the current conflict. Already, the violence, economic turmoil, and diplomatic stalemate that exists today has generated disillusionment with the peace process among Israelis and Palestin-

However, these feelings are growing much more pronounced due to the Bush Ad-

mission’s steadfast commitment to the peace process. Apathy is not an option, because without American leadership, the current conflict will escalate and engulf the region. Our al-

lies, such as Egypt and Jordan, and millions of people in the region rely heavily on the Amer-

ican commitment to brokering a fair peace and preventing such war from occurring.

Mr. Chairman, in my hand I have a resolu-

on that expresses the sense of the House that, in absence of an Israeli-Palestinian agreement brokered by themselves or the United States to halt this current round of bloodshed, the United Nations should consider sending peacekeeping forces into the West Bank and Gaza Strip. I believe that it is in the interests of all parties to explore any reason-

able avenue that could lead to a permanent peace and security agreement between the Palestin-

ians and Israelis. I believe U.N. peacekeepers would help cool tensions on the ground, monitor any cease-fire agreement including that recommended by the Mitchell Report, and make the climate more conducive for peace.

Mr. Chairman, hope in the peace process cannot become a casualty of this ongoing con-

ict. I urge my colleagues to oppose one-sided policies that help no one but harm everyone, including Israel. I urge them instead to join me as a cosponsor of a constructive piece of leg-

islation that, if passed, will demonstrate that America is a fair arbiter of peace who is more interested in ending this deep, bitter conflict rather than sustaining it.

Mr. KOLBE. Mr. Chairman, I yield back the balance of my time in general debate.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule, and the amendments printed in House Report 107-146 are adopted.

Pursuant to the order of the House of today, no amendment to the bill may be offered on the legislative day of July 19, 2001, except pro forma amendments offered by the chairman or ranking mi-

nority member of the Committee on Appropriations or their designees for the purpose of debate and amendments printed in the CONGRESSIONAL RECORD and numbered 4, 5, 17, 21, 22, 25, 28, 29, 30, 32, 35, and 37.

Each such amendment may be offered after the Clerk reads through page 1, line 6, and may amend portions of the bill not yet read.

No further amendment to the bill may be offered after that legislative day except pro forma amendments of-

ered by the chairman or ranking mi-

ority member of the Committee on Appropriations or their designees for the purpose of debate and amendments printed in the CONGRESSIONAL RECORD and numbered on that legislative day, or any record before that date.

The Clerk will read.

The Clerk read as follows:

AMENDMENT NO. 28 OFFERED BY MS. MILLENDER-MCDONALD

Ms. MILLER-MCDONALD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will des-

The text of the amendment is as fol-

lowing:

Amendment No. 28 offered by Ms.

MILLENDER-MCDONALD

In title II of the bill under the heading "CHILD SURVIVAL AND HEALTH PROGRAMS FUND", insert before the period at the end the following: "Provided further, That of the amount made available under this heading for HIV/AIDS, $5,000,000 shall be for assistance to prevent perinatal infection of her child.

Ms. MILLER-MCDONALD. Mr. Chairman, this amendment earmarks at a minimum $5 million to prevent perinatal HIV/AIDS transmission. For two Congresses, the 106th and the 107th Congress, I have led the fight on the issue of mother-to-child transmission prevention. Mother-to-

child transmission is by far the largest source of HIV infection in children under the age of 18 worldwide.

One year ago, the United Nations es-

that 600,000 infants were infected with the virus, bringing the total number of young children living with HIV to over 1 million. Of the 5

million infants infected with HIV since the beginning of the pandemic, about 90 percent have been born in Africa due to a combination of high fertility rates and high HIV prevalence in pregnant women.

Mr. Chairman, we should not lose sight of the fact that the number of cases in India, Southeast Asia and the Caribbean are rising at alarming rates.

Mr. Chairman, the virus may be transmitted during pregnancy, labor, delivery or breast feeding after a child’s birth. Among infected infants who are not breast fed, most mother-

to-child transmission occurs around the time of delivery just before or during labor and delivery. In populations where breast feeding is the norm, breast feeding accounts for more than 80 percent of the mother-to-

child transmission. In sub-Saharan Africa, mother-to-child transmission is contributing substantially to rising child mortality rates.

AIDS is the biggest single cause of child death in a number of countries in sub-Saharan Africa. Stopping the spread of HIV/AIDS from mother-to-

child is one of the most important pre-

vention programs on which we need to focus. No HIV agenda is complete without programs to enable a mother to prevent perinatal infection of her child. The most effective means of doing so today is anti-drugs for preg-

nant women and providing mothers with practical alternatives to breast feeding.

Although in theory we can make promising new treatments available to every pregnant woman in the developing world, the challenge does not stop there. Treatment must be done in an ethical and humanistic manner. Counseling and voluntary testing are critical services necessary to help infected women accept their HIV status and the risk it poses to their unborn child. Confidentiality is paramount in counseling and when providing vol-

untary services programs where women identified as HIV positive may face discrimi-

nation, violence and death.

Replacement feeding is an important part of the strategy but should not undermine decades of promoting breast feeding as the best possible nutrition for infants. HIV-infected mothers must have access to information, follow-up clinical care and support.

Therefore, Mr. Chairman, the United States Agency for International Develop-

ment has examined the astounding numbers of children affected by HIV/ AIDS and has stated time and time again that effective intervention can drastically reduce mother-to-child transmission of HIV.

They recognize that the effectiveness of simple and low-cost treatments can be effectively implemented in developing nations, and they are prepared to place among their highest priorities
I rise in support of this critical amendment of—

MILLENDER-MCDONALD. I think she

woman from California (Ms. Millender-McDonald). I think she

strike the last word.

increase the funding.

conferees can reach an agreement to

amendment adopted, and hopefully the

conferees can reach an agreement to

increase the funding.

Mr. KOLBE. Mr. Chairman, I move to

strike the requisite number of words.

Mr. Chairman, I support the amendment

that is offered by the gentle-

woman from California (Ms. MILLENDER-McDONALD). I think she

very well explained the importance of

this program, and I think her amend-

ment does represent good public policy.

Mr. Chairman, I accept the amend-

ment.

Mrs. LOWEY. Mr. Chairman, I move

to strike the requisite number of words.

Mr. Chairman, I move to strike the requisite number of words.

Mrs. MINK of Hawaii, Mr. Chairman, today I rise in support of this critical amendment offered by my colleague, the gentlewoman from California, JUANITA MILLENDER-McDONALD.

I would like to commend the gentlewoman for her leadership in the area of HIV/AIDS mother-to-child prevention, and recognize her 3-year fight to get this language included into law.

Mr. Chairman, ten percent of all individuals who become infected with HIV/AIDS Virus worldwide are children. Mother-to-child infections is the largest source of HIV infection in children under the age of 15 and the only source of transmission for babies.

Each year, the total number of births to HIV-infected pregnant women in developing countries is approximately 3.2 million. Last year, the United Nations estimated that 600,000 children age 14 or younger were infected with HIV. 90% of these 600,000 children were babies born to HIV positive mothers. Mr. Speaker, that is 540,000 children who never have a chance.

There has been much discussion recently throughout the developed world that although these is no cure for HIV or AIDS, it can be controlled with the right combination of drugs. This is just not true in developing countries. Drugs are too expensive and the infection rate has reached pandemic proportions. This amendment will appropriate $5 million toward mother-to-child HIV/AIDS transmission prevention in developing countries. Mr. Speaker, this is a very small price to pay to fight this termin

minal disease before, during, and after birth, giving these children a fighting chance for survival instead of no change for survival.

I know the gentleman from California will continue to fight for funding for mother-to-child HIV/AIDS transmission prevention so we may save millions of yet unborn children's lives.

The CHAIRMAN. The question is on the amendment offered by the gentle-

woman from California (Ms. MILLENDER-McDONALD).

The amendment was agreed to.

AMENDMENT NO. 35 OFFERED BY MR. SOUDER.

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

The CHAIRMAN. The Clerk will des-

ignate the amendment.

The text of the amendment is as fol-

lows:

Amendment No. 35 offered by Mr. SOUDER:

Page 25, line 2, insert before the period at the end of the following: Provided further, That of the funds appropriated under this heading, $27,000,000 shall be for assistance to the Colombian National Police for the purchase of two Buffalo transport/supply air-

craft, $12,000,000 shall be for assistance to the Colombian Navy to purchase six Huey-II patrol helicopters, and $5,000,000 shall be for as-

sistance for operating fuel to enhance drug interdiction efforts along the north coast of Colombia and inland rivers. 

Mr. KOLBE. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The gentleman re-

serves a point of order.

Mr. SOUDER. Mr. Chairman, Colom-

bria is critical to our efforts to keep the devastation of narcotics from Amer-

ican streets but just as importantly to the overall security of our hemisphere. I chair the Subcommittee on Criminal Justice, Drug Policy and Human Re-

sources, which is the authorizing sub-

committee for the Office of National Drug Control Policy and the oversight committee for all anti-drug efforts in all branches of our Federal Govern-

ment.

Mr. Chairman, I want to clear up as we begin this debate a key point. I have also worked on the Drug-Free Schools Program in the Committee on Education and the Workforce. We au-

thorize the Drug-Free Communities Act through our committee. I support efforts to boost drug treatment fund-

ing. I have worked in the student loan area with the drug-free student loan amendment. I have worked across the board on treatment, on prevention, on interdiction, on law enforcement, on eradication, and alternative develop-

ment.

But we cannot have a fair debate if we continue to have a distortion of where our expenditures go. Five per-

cent go to international. Thirty-three percent to prevention and treatment. We can argue whether the ratio should be 7, 10 times for prevention treatment as opposed to the 5 percent interna-

tional, but let us not get this false impression that we are spending more.

Not only in Colombia but in all of our international we spend 5 percent ac-

cording to the Office of Drug Control Policy.

Now, my amendment specifically ad-

dresses something that we have worked with in cooperation with other com-

mittees, the Department of State and the Government of Colombia to ensure that Colombia receives effective aid from the United States and that these programs are administered to ensure maximum support to the Government of Colombia in its extremely difficult and challenging fight against narcotics traffic.

This amendment deals with two very specific needs which have been identi-

fied by our oversight activities. This reflective of a request which was en-

forced by holdover members of the Speaker’s Task Force for a Drug Free America, several members of the Com-

mittee on International Relations, in-

cluding Chairman HYDE, Chairman EMERSON, GILMAN, and Subcommittee Chairman BALLenger as well as Chair-

man BURTON of the full Committee on Government Reform.

This amendment would provide $27 million to the Colombian National Po-

lice for the purchase of two Buffalo transport/supply aircraft, $12 million to the Colombian Navy to purchase six Huey-II patrol helicopters to enhance drug interdiction efforts along the north coast of Colombia and inland rivers, and $5 million to the Colombian Navy for operating fuel for the same purpose.

Our oversight activities have strongly suggested that these pieces of equip-

ment are urgently needed to fill impor-

tant unmet needs in Colombia. The Co-

lombian National Police continues to require airlift capability in support of interdiction and law enforcement ac-

tivities which is capable of providing significant lift at high altitudes where the heroin poppy grows and the ability to land at remote and short-field air-

strips.

Without this type of equipment, there are parts of the country which are extremely difficult to reach and that are effectively under the control of narcotics traffickers. The House committees who have studied this issue believe that the aircraft which have been recommended by the State De-

partment will not be sufficient for this purpose and that the planes will not be forthcoming without congressional ac-

tion.

Similarly, the Colombian Navy re-

quires assistance with suitable equip-

ment to patrol the north coast of Co-

lombia and inland rivers which are ex-

tremely difficult to access and often left to narcotics traffic because of the lack of suitable equipment to enforce the rule of law. Again this particular assistance has not to date been pro-

vided by the United States and needs to be supported by congressional ac-

tion.
Mr. Chairman, my colleagues and I have looked very carefully at this issue and believe that these particular pieces of equities make a significant and meaningful contribution to narcotics control. Colombians continue to put their lives on the line every day under extremely volatile circumstances to fight a narcotics problem which is caused, to a great extent, by American demand as well as European demand but, to a great extent, by our demand. We are undertaking a comprehensive approach to address all facets of this problem, including reducing that demand. But it is certainly the least we can do to help with basic equipment needs.

I understand that this amendment is subject to a point of order. I look forward to continuing to work with the chairman as do the other sponsors of this amendment and with the State Department in these specifics.

Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 17 OFFERED BY MR. DELAHUNT

Mr. DELAHUNT. 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. DELAHUNT:

Page 112, after line 22, insert the following:

REPORT ON IMPLEMENTATION OF COLOMBIAN NATIONAL SECURITY LEGISLATION

SEC. 4. (a) Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of State, after consultation with representatives from internationally recognized human rights organizations, shall submit to the appropriate congressional committees a report on the implementation of the Colombian national security legislation passed by the Colombian Congress on June 20, 2001.

(b) Each such report shall provide a description of the effects of the security legislation on human rights in Colombia and efforts to those carried out by appropriate civilian authorities; and

(1) the Committee on Appropriations and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Appropriations and the Committee on Foreign Relations of the Senate.

Mr. KOLBE. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Mr. DELAHUNT. Mr. Chairman, let me begin by echoing the sentiments that have been expressed by others regarding the hard work and the dedication of both the gentleman from Arizona (Mr. KOLBE) and the gentleman from New York (Mrs. LOWEY). The bill is a good product. I think all of us wish that there were more resources to work with. Having said that, it is a reflection of what I believe to be the priorities and values of the vast majority of Members in this House.

My amendment, Mr. Chairman, would require the State Department to report to the United States Congress on the implementation of legislation that was adopted in the Colombian Congress last month. That bill will soon be officially transmitted to President Pastrana. It is anticipated that he will sign this particular proposal.

Although much improved from its earlier versions, this legislation still contains ambiguous provisions that could threaten civilian oversight of the military in Colombia and place at risk the progress that has been made toward reforming the military under the leadership of President Pastrana and Armed Forces Chief Fernando Tapia.

Continued progress towards genuine and permanent reform should be a prerequisite for American assistance to Colombia's security forces. Only a few years ago, the Colombian military had the worst human rights record in the hemisphere. It is professional and free from links to so-called paramilitary groups, it will be a part of the problem in Colombia rather than the solution.

No military force should be entrusted with the kinds of extraordinary powers that could be interpreted by some to be included in the current draft of this legislation. And while the current leadership is reform-minded, Colombia will not have new government next May. So it is impossible to predict who will interpret and implement this legislation in the future. Will it be those who insist on continued reform or those who would return to the days of impunity on the part of the military?

The United States has made a massive commitment in the Colombian military predicated in part on its commitment to reform. This legislation could imperil that commitment. It is imperative that we closely track its implementation if it should become law.

I know this amendment that I propose to offer was not protected under the rule and the gentleman has made a point of order against it. I have had discussions with the gentleman from Arizona and understand that he is willing to work together to include a reporting requirement in conference.

At this time I would like to engage in a colloquy with the gentleman from Arizona (Mr. KOLBE) to confirm my understanding of our agreement.

I would ask the gentleman whether he agrees with the intent of this amendment and will work with me to have the reporting requirement included in the conference report.

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

Mr. DELAHUNT. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I appreciate his comments and his question. I commend the gentleman from Massachusetts for bringing this matter to the attention of the House. I think what he is proposing to do is a good amendment. I would be very happy to work with him to be sure that we have some kind of reporting requirement included in the conference report.

Mr. DELAHUNT. I thank the gentleman and look forward to working with him in this matter.

Mr. Chairman, I ask unanimous consent that the amendment be withdrawn.

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

There was no objection.

AMENDMENT NO. 22 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. 22 offered by Ms. JACKSON-LEE of Texas:

Page 11, line 12, insert before the period the following: "Provided, That of the amount made available under this heading, $10,000,000 shall be for disaster relief and rehabilitation for India with respect to the earthquake in India in January 2001;".

Mr. KOLBE. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman reserves a point of order.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I know that this is an issue that both the chairman and the ranking member are very much aware of.

I am offering today an amendment to the Foreign Operations appropriations bill that will provide much needed support to those in need in India. Just a few months ago as the Indo-American community was celebrating the anniversary of the democracy of India, the Republic of India, on that very day the country was experiencing a very devastating earthquake, January 26, 2001.
which struck the western part of India causing enormous human suffering. Five days later, the House passed H. Con. Res. 15, a resolution supporting the joint efforts of our government, the World Bank, the Asian Development Bank and the international community to provide assistance to the Government of India to the voluntary organizations that are engaged in relief efforts. Might I add, Mr. Chairman, that in addition, the excellent work of the Indo-American community in advocating for their friends and relatives in India and joining with those of us here in the United States of like concern. I have wanted very much to be able to provide the assistance that this devastation warranted.

As a decisive show of support from Congress through its passage of H. Con. Res. 15, relief efforts have been severely hampered by insufficient resources. Therefore, on June 18 I introduced H. Con. Res. 151, a resolution which reaffirms the deepest sympathies of Congress to the citizens of India for the losses suffered as a result of the earthquake. More importantly, it expresses Congress’ support for continuing and substantially increasing the amount of disaster assistance being provided by the United States Agency for International Development and other relief agencies. In that resolution, I stated that $100 million is the minimum needed amount for recovery from the earthquake. Here today I am only asking that we earmark in the international disaster assistance account $10 million for these recovery efforts.

As the most populous democracy on the Earth and a strategic partner of the United States, we have ample reason to support India. This amount would be a mere recognition of our commitment to assisting them. The international community must develop a donor strategy that uses rehabilitation efforts as an opportunity to improve village life, including sanitation facilities, safer design of homes and neighborhoods, improved land drainage and waste disposal. Having just come through a very terrible storm in Houston and knowing what tragedy is and how it changes lives, I can tell you when I saw the devastation in India through media reports, I was immediately drawn to their tragedy, having traveled to India with the President in the last year.

I would urge my colleagues and urge the consideration of the waiver of the point of order, but in essence, Mr. Chairman, and to the chairman and the ranking member, I would like to see us work through this issue. I will look forward to working with an amendment next week, the Crowley amendment, but this amendment would add an additional $10 million, and I would hope that possibly we could resolve this as we look to continue our friendship and support for the people of India.

Mr. Chairman, I rise today to offer an amendment to the Foreign Operations Appropriations Bill to provide some much needed support to those in need in India.

Today, many of our friends in India are still wondering when they will obtain the needed assistance to rebuild their society. On January 26, 2001, a devastating earthquake struck western India causing enormous human suffering. Five days later, the House passed H. Con. Res. 15, a resolution supporting the joint efforts of our government, the World Bank, the Asian Development Bank, and the international community to provide assistance to the government and to private voluntary organizations that are engaged in relief efforts.

Despite a decisive show of support from Congress through its passage of H. Con. Res. 15, relief efforts have been severely hampered by insufficient resources. Therefore, on June 18 I introduced H. Con. Res. 151, a resolution which reaffirms the deepest sympathies of Congress to the citizens of India for the losses suffered as a result of the earthquake. More importantly, it expresses Congress’ support for continuing and substantially increasing the amount of disaster assistance being provided by the United States Agency for International Development and other relief agencies. In that resolution, I stated that $100 million is the minimum needed amount for recovery from the earthquake. Here today, I am only asking that we earmark in the International Disaster Assistance Account $10 million for these recovery efforts.

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Further, the House passed H. Con. Res. 348, a resolution that condemns the use of children as soldiers, and there is a good reason why we did. This is a commonsense step forward. I realize that the drafting of the language of this particular amendment is particularly direct and may seem strong and harsh, and it may be suggested that there is no authorization for such. I would hope that the passage of the parallel resolutions would give us the ability to allow this amendment to stand, which would be to eliminate funding to countries that continue to conscript children into war.

Let me give the basis of this, as well as to say my commitment to this is so strong that I am hoping my colleagues on the appropriations conference committee will allow this to be part of the final bill. It is estimated that 300,000 children under the age of 18 are engaged in armed military conflicts in more than 30 countries and are currently fighting in armed conflict. Sadly, far too many of these wonderful children are forcibly conscripted through kidnapping or coercion and others join because of economic needs. I can assure you that many of them catch the parents send them away because of the economic need.

Briefly, Mr. Chairman, let me share a story with you about a boy who tried to escape from the rebels, but he was caught. ‘His hands were tied and then they made us,’” the other new captives, ‘killed 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. They said we had to do this so that we would not try to escape. I still dream about the boy from my village. I killed him. I still dream about the boy from my village that I had to kill.”

Military commanders do not care. All they want are bodies to help fight wars.

Simply, this amendment, Mr. Chairman, and to the ranking member, stand up against the countries like the ones that I have named. They would not try to escape. I still dream about the boy from my village. I killed him. I still dream about the boy from my village that I had to kill.”

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Military commanders do not care. All they want are bodies to help fight wars.
Military commanders often separate children from their families in order to foster dependence on the military and to instill in them the notion that leaving the military is a career choice and not a necessary response to economic hardships. There is a long and tragic history of child soldiers in conflict zones throughout the world, and this practice is clearly not consistent with our international obligations and our moral values. Child soldiers are often used as cannon fodder into conflicts of which they have little knowledge or understanding, being robbed of their childhood and their opportunity to grow up, and being put in as cannon fodder into conflicts of which they have little knowledge or understanding. So I think the gentleman is absolutely correct in bringing this to our attention.

I would say that I think that the amendment that she has offered is one that needs to be in the appropriate committee, which is where it ought to be considered. I say that because the language is very, very broad when it talks about conscripting children under the age of 18. In fact, I think still in this country it is possible to enlist, not be conscripted, but enlist in the armed services under the age of 18, so it is quite possible in some countries that a year younger or 6 months younger might be perfectly acceptable.

We know that the work we have to do here to raise awareness is enormous, and I appreciate the gentleman bringing this issue to our colleagues’ attention. I look forward to working with the chairman in crafting some language and some action that would increase attention to this issue. I thank the gentleman very much.

Mr. KOLBE. Mr. Chairman, I move to strike the last word, while continuing to reserve my point of order.

Mr. Chairman, I appreciate the gentleman having made this matter to our attention. What she is talking about is truly one of the great horrors that exists today in the world, and she has spoken very eloquently about it as it occurs in many parts of the world, but most especially in West Africa, where we have seen young children who have been conscripted into the military and the kinds of horrible things that have happened to these children who in no way should be involved in conflict at all.

These are children who are being robbed of their childhood, being robbed of their opportunity to grow up, and being put in as cannon fodder into these conflicts of which they have little knowledge and know even less about. So I think the gentleman is absolutely correct in bringing this to our attention.

I would say that I think that the amendment that she has offered is one that needs to be made available to the appropriate committee, which is where it ought to be considered. I say that because the language is very, very broad when it talks about conscripting children under the age of 18. In fact, I think still in this country it is possible to enlist, not be conscripted, but enlist in the armed services under the age of 18, so it is quite possible in some countries that a year younger or 6 months younger might be perfectly acceptable.

We know that the work we have to do here to raise awareness is enormous, and I appreciate the gentleman bringing this issue to our colleagues’ attention. I look forward to working with the chairman in crafting some language and some action that would increase attention to this issue. I thank the gentleman very much.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield? Mrs. LOWEY. I yield to the gentleman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman and appreciate theielding.

One can see the depth of my passion by the description of the amendment. What I would like to do, and I appreciate the gentleman’s invitation, I thank him for acknowledging how hellish these acts are, and I would be pleased if we could not only take this to the authorizing committee, which I know is prospective and down the road, but have the possibility of working with any more narrow language that might be able to be put in the conference report, at least acknowledge the concerns as we work toward this in the future.

Mr. KOLBE. Mr. Chairman, reclaiming my time, I thank the gentlewoman for her comments.

Mr. Chairman, I yield back the balance of my time, while continuing to reserve my point of order.

Mrs. LOWEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to congratulate the gentlewoman for bringing this awful issue to our attention. I think that the more we shed a spotlight on this, the more the world will respond. I am particularly pleased with the allocations in this bill for development assistance, for education in particular, which we increased dramatically. If we can educate the population of countries where these kinds of horrors exist, perhaps we will begin to address it more seriously and eradicate this so these children can have a chance to grow in a healthy environment.

We know that the work we have to do here to raise awareness is enormous, and I appreciate the gentleman bringing this issue to our colleagues’ attention. I look forward to working with the chairman in crafting some language and some action that would increase attention to this issue. I thank the gentlewoman very much.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield? Mrs. LOWEY. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, first of all, let me thank the gentlewoman for her deep and passionate commitment and thank her for acknowledging this.

I would just like to pose a question to both the ranking member and to the chairman. I am appropriately made aware, if you will, of the breadth, and obviously it is because of the deep passion that we all share. I would be interested in narrowing the language to have something referred in the report language, and I was wondering if that could be done in the report language.

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

Mrs. LOWEY. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I would just note for the gentlewoman from Texas that, of course, the report is done. But if the gentlewoman is talking about in the conference report, I could not make a commitment at this time that we could do anything specifically.

But certainly the problem that the gentlewoman has brought to our attention is one that clearly needs to be dealt with by the appropriate committees, and I would be happy to work with the gentleman in any way possible to make sure that is done.

I cannot make a specific commitment about what we can do in the conference report, but what I would say to the gentlewoman is that the commitment to a conference that could make a difference. I want to thank the gentlewoman very much.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if the gentlewoman will yield further, if I could respond, I am an optimist. I thank the gentlewoman for working with me.

Mr. Chairman, with the commitment of trying to work through this issue, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE) is withdrawn.

There was no objection.

Mr. KOLBE. Mr. Chairman, I move to strike the last word. Mr. Chairman, before we rise, let me just make a commitment to the body, that we will rise now, and we will resume deliberations on this bill on Tuesday, working under the unanimous consent agreement that we have.

We have a number of amendments, many of them that will require extensive debate, and I would put all Members on notice that we expect to start as early as possible, we do not have the schedule for next week yet, but as early as possible on Tuesday, and that we would expect to go as long as possible on Tuesday in order to finish this bill.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.
CONGRESSIONAL RECORD—HOUSE

July 20, 2001

Mr. PALLONE, for 5 minutes, today.
Ms. MILLERENCE-MCDONALD, for 5 minutes, today.
Ms. CARSON of Indiana, for 5 minutes, today.
Mr. BROWN of Ohio, for 5 minutes, today.
Mr. DAVIS of Illinois, for 5 minutes, today.

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

Mrs. MORELLA, for 5 minutes, July 20.
Mr. DIAZ-BALART, for 5 minutes, today and July 20.
Mr. PETERSON of Pennsylvania, for 5 minutes, today.

SENATE BILL AND A CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1190. An act to amend the Internal Revenue Code of 1986 to rename the education individual retirement accounts as the Coverdell education savings accounts; to the Committee on Ways and Means.
S. Con. Res. 34. Concurrent resolution congratulating the Baltic nations of Estonia, Latvia, and Lithuania on the tenth anniversary of the end of their illegal incorporation into the Soviet Union; to the Committee on International Relations.

ADJOURNMENT

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

The motion was agreed to; accordingly (at 9 o'clock and 49 minutes p.m.), the House adjourned until tomorrow, Friday, July 20, 2001, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

2969. A letter from the Principal Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Final Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, San Joaquin Valley Unified Air Pollution District (CA 217-0285; FRL-6995-7) received July 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.
2971. A communication from the President of the United States, transmitting the status of efforts to obtain Iraq's compliance with the resolutions adopted by the United Nations Security Council (H. Doc. No. 107–103); to the Committee on International Relations and ordered to be printed.

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. OXLEY, Committee on Financial Services. H.R. 1850. A bill to extend the Commission on Affordable Housing and Facility Needs for Seniors in the 21st Century and to provide technical corrections to the law governing the Commission (Rept. 107–147). Referred to the Committee of the Whole House on the State of the Union.
Mr. YOUNG of Florida, Committee of Conference. Conference report on H.R. 2216. A bill making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes (Rept. 107–149). Ordered to be printed.

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BISHOP (for himself, Ms. EDDIE BERNECK JOHNSON of Texas, Mrs. CHRISTENSEN, Ms. JACKSON-LEE of Texas, Mr. CITYSHIRE of Illinois, Mrs. JONES of Ohio, Ms. LEW, Mr. WATT of North Carolina, Mr.
CONGRESSIONAL RECORD—HOUSE

H.R. 2562. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to direct the Director of the Federal Emergency Management Agency to establish a minority emergency preparedness demonstration program, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. GANSKY (for himself, Mr. DINGELL, Mr. NORWOOD, Mr. BERRY, Mr. LEACH, Mr. BROWN of Ohio, Mrs. ROUKEMA, Mr. JOHN, Mrs. MORELLA, Mr. ANDREWS, Mr. GILMAN, Mr. RANGEL, Mr. LA'TOURNETTE, Mr. STECHOLM, Mr. HORN, Mr. SANDLIN, Mr. BARR of Georgia, Mr. STUPAK, Mr. SMITH of New Jersey, Mr. PALLONE, Mr. TONDO, Mr. FUSCO, Mrs. CLYBURN, Mr. DAVIS of California, Mr. BARRETT, Mr. Wynn, Mr. STARK, Mr. WAXMAN, Mr. RUSH, Mr. BOUCHER, Mr. HALL of Texas, Mr. BRIDENSTIN, Mr. TURNER, Mrs. HARMAN, Mr. PASCRELL, Mrs. MCCARTHY of New York, Mr. FRANK, Mr. MATSU, Mr. COYNE, Mr. McDERMOTT, Mr. CASEY, Mr. LEVIN, Mr. MICKVEY, Mr. JEFFERSON, Mr. LEWIS of Georgia, Mr. KLECKZA, Mrs. THURMAN, Mr. BOSWELL, Mr. CROWLEY, Mr. THIRNEY, Mr. ORRIN of Utah, Mr. DOWDY, Ms. DEGITE, Mr. MATHESON, Mr. KUCINICH, Ms. PELOSI, Mr. BERMAN, Mr. THOMPSON of California, Mr. GEORGE MILLER of California, and Mr. ROSS):

H.R. 2563. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to protect consumers in managed care plans and other health coverage; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, 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. ADERHOLT:

H.R. 2564. A bill to direct the Administrator of the Federal Aviation Administration to treat certain property boundaries as the boundaries of the Lawrence County Airport, Council, Alabama, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. CANNON (for himself, Mr. HANSEN, and Mr. MATHISON):

H.R. 2565. A bill to amend the Central Utah Project Completion Act to clarify the responsibilities of the Secretary of the Interior with respect to the Central Utah Project, to redirect unexpended budget authority for the Central Utah Project for wastewater treatment and reuse and other purposes, to provide for the payment of performance contracts for municipal and industrial water delivery facilities, and to eliminate a deadline for such prepayment; to the Committee on Resources.

By Mr. CANTOR (for himself, Mr. SMITH of New Jersey, Ms. BERKLEY, Mr. PITTS, Mr. KIRK, Mr. BACHUS, Mr. HUNT, Mr. HUDSON, Mr. WILSON, Mr. SOUDER, Mr. CROWL, Mr. LEWIS of Kentucky, Mr. WEBER, Mr. SCHROCK, Mr. GRUCCI, Mr. SCHAFFER, Mr. LEE, and Mr. MUSgrave):

H.R. 2566. A bill to prohibit assistance from being provided to the Palestinian Authority or its instrumentalities unless the President certifies that no excavation of the Temple Mount in Israel is being conducted; to the Committee on International Relations.

By Ms. DELAURA:

H.R. 2567. A bill to authorize a program of assistance to improve international building practices in eligible Latin American countries; to the Committee on International Relations.

By Mr. DREIER (for himself, Mr. HOUGHTON, and Mr. FLAKE):

H.R. 2568. A bill to provide authority to control exports, and for other purposes; to the Committee on International Relations.

By Mr. GRAHAM:

H.R. 2569. A bill to amend title II of the Federal Election Campaign Act of 1971 to allow the payment of claims for duties paid to the United States by licensed customs brokers on behalf of the debtor; to the Committee on the Judiciary.

By Mr. FARR of California (for himself, Mr. BLUMENAUER, Mr. ENGLISH, Mr. GEORGE MILLER of California, Mr. FALSEMOVARDA, Mr. GREENWOOD, Ms. WOOLSEY, Ms. MCKINNEY, Mr. MORAN of Virginia, Mr. BORSKI, Mr. LANTOS, Ms. PELOSI, Mr. BOUCHER, Ms. BALDWIN, Mr. CHAVES-VILA, Ms. LEE, Ms. WEBER, Mr. CLYBURN, Mr. HONDA, Mrs. DAVIS of California, and Ms. ESHOUSE):

H.R. 2570. A bill to amend the Magnuson-Stevens Fishery Conservation and Management Act to recover depleted fish stocks and promote the long-term sustainability of marine fisheries, and for other purposes; to the Committee on Resources.

By Mr. HILL (for himself, Mr. BARRETT, Ms. SANCHEZ, Mr. SMITH of New Jersey, Mr. PEDOSEN, Mr. HOEFFER, Mr. HOLDEN, Mr. BAIRD, Ms. CARSON of Indiana, Mr. PRICE of North Carolina, Mrs. JONES of Ohio, Mr. RAHALL, and Mr. SOTO):

H.R. 2571. A bill to amend section 10105 of the Elementary and Secondary Education Act of 1965 to provide for a smaller learning communities grant program; to the Committee on Education and the Workforce.

By Mr. LAFAULCE:

H.R. 2572. A bill to implement certain recommendations of the National Gambling Impact Study Commission by prohibiting the placement of automated teller machines or any device by which an extension of credit or an electronic cash transfer may be initiated by a consumer in the immediate area in a gambling establishment where gambling or wagering takes place; to the Committee on Financial Services.

By Mr. McDERMOTT (for himself, Mr. BONORI, Mr. PETRI, Ms. MCKINNEY, Mrs. NAPOLITANO, Mr. SHEERAN, Mr. MAGONE, Mr. WILK, Mr. PALLONE, Mr. SAWYER, Mr. GEORGE MILLER of California, Mr. GUTIERREZ, Mr. BLAISEZICH, Mr. EVANS, Mr. LEACH, Mr. PAYNE, Mr. ANDREWS, Mr. UDALL of New Mexico, Mr. COSTELLO, Mrs. MINK of Hawaii, and Ms. HARRISON):

H.R. 2573. A bill to ensure that proper planning is undertaken to secure the preservation and recovery of the salmon and steelhead of the Columbia River basin and the maintenance of reasonably priced, reliable power, to direct the Secretary of Commerce to seek peer review of, and to conduct studies regarding, the National Marine Fishery Service biological opinion, under the Endangered Species Act of 1973, pertaining to the impacts of Columbia River basin Federal dams on salmon and steelhead listed under the Endangered Species Act of 1973, and for other purposes; to the Committee on Resources, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MILLER of Florida (for himself, Mr. BORSKI, Mr. TRAPICANT, Mr. GOSS, Mr. CUNNINGHAM, Mr. BRAIDY of Texas, and Mr. SHAH):

H.R. 2574. A bill to provide for increased cooperation on extradition efforts between the United States and foreign governments, and for other purposes; to the Committee on International Relations, and in addition to the Committees on Financial Services, and 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. MURTHA:

H.R. 2575. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax for caregivers of individuals with long-term care needs; to the Committee on Ways and Means.

By Mr. SHAH (for himself, Mr. MATSU, and Mr. PORTMAN):

H.R. 2576. A bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes; to the Committee on Ways and Means.

By Mr. STUPAK:

H.R. 2577. A bill to designate the facility of the United States Postal Service located at 310 South State Street in St. Ignace, Michigan, as the "Bob Davis Post Office Building"; to the Committee on Government Reform.

By Ms. WATERS:

H.R. 2578. A bill to redesignate the facility of the United States Postal Service located at 8300 South Ventura Avenue in Los Angeles, California, as the "Augustus F. Hawkins Post Office Building"; to the Committee on Government Reform.

By Mr. TURNER:

H. Res. 203. A resolution providing for consideration of the bill (H.R. 2356) to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; to the Committee on Rules.

By Mrs. MYRICK:

H. Res. 204. A resolution waiving points of order against the conference report to accompany the bill (H.R. 2216) making supplemental appropriations for the fiscal year ending September 30, 2001, and for other purposes.

By Mr. DINGELL:

H. Res. 205. A resolution expressing the sense of the House of Representatives with respect to ceaseing hostilities in Israel, the West Bank, and the Gaza Strip; to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:
AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H. R. 2506

OFFERED BY: Mr. Brown of Ohio

Amendment No. 41: At the end of the bill, insert the following section (preceding the short title) following the new section:

SEC. ___. None of the funds made available in this Act for the Export-Import Bank of the United States to guarantee, insure, extend credit, or participate in an extension of credit in connection with the export of any good or service to a company that is under investigation for trade dumping by the International Trade Commission, or is subject to an anti-dumping duty order issued by the Department of Commerce.

H. R. 2506

OFFERED BY: Ms. Eddie Bernice Johnson of Texas

Amendment No. 42: Page 112, after line 22, insert the following:

PROHIBITION ON AERIAL SPRAYING EFFORTS TO ERADICATE ILLEGAL CROPS

SEC. ___. None of the funds made available in this Act under the heading “DEPARTMENT OF STATE-AMERICAN COUNTERDRUG INITIATIVE” may be used for aerial spraying efforts to eradicate illegal crops.

H. R. 2506

OFFERED BY: Mr. Conyers

Amendment No. 43: Page 112, after line 22, insert the following:

PROHIBITION ON AERIAL SPRAYING EFFORTS TO ERADICATE ILLEGAL CROPS

SEC. ___. None of the funds made available in this Act under the heading “DEPARTMENT OF STATE-ANDREAN COUNTERDRUG INITIATIVE” may be used for aerial spraying efforts to eradicate illegal crops.

H. R. 2506

OFFERED BY: Mr. Hokestra

Amendment No. 44: Page 25, line 16, insert before the period the following:

: Provided further, That, of the funds appropriated under this heading, $65,000,000 shall not be available for obligation until (1) the Secretary of State submits to the Congress a full report on the incident of April 20, 2001, in which Veronica “Roni” Bowers and her 7-month-old daughter, Charity, were mistakenly killed when a Peruvian Air Force jet opened fire on their plane after the crew of another plane, owned by the Department of Defense and chartered by the Central Intelligence Agency, mistakenly targeted the plane to be potentially smuggling drugs in the Andean region; and (2) the Secretary of State, Secretary of Defense, and Director of Central Intelligence certify to the Congress 30 days before any resumption of United States involvement in counter-narcotics flights and a force-down program that continues to permit the ability of the Peruvian Air Force to shoot down aircraft, that the force-down program will include enhanced safeguards and procedures to prevent the recurrence of any incident similar to the April 20, 2001, incident.

H. R. 2506

OFFERED BY: Mr. Hokestra

Amendment No. 45: Page 112, after line 22, insert the following:

REDUCTION OF FUNDS FOR ANDREAN COUNTERDRUG INITIATIVE

SEC. ___. The amount otherwise provided in this Act for “Andean Counterdrug Initiative” is hereby reduced by $65,000,000.

H. R. 2506

OFFERED BY: Ms. Jackson-Lee of Texas

Amendment No. 46: Page 112, after line 22, insert the following:

REVISION OF FUNDS

SEC. ___. The amounts otherwise provided in this Act are revised by increasing the amount made available under the heading “CHILD SURVIVAL AND HEALTH PROGRAMS FUND”, by increasing the amount made available under the first dollar amount of the fourth proviso under the heading “CHILD SURVIVAL AND HEALTH PROGRAMS FUND” for nutrition education assistance, by increasing the amount made available under the first dollar amount of the fourth proviso under the heading “CHILD SURVIVAL AND HEALTH PROGRAMS FUND” for nutrition education assistance, and by reducing the amount made available under the heading “AMERICAN COUNTERDRUG INITIATIVE”, by $100,000,000, $30,000,000, $10,000,000, and $100,000,000, respectively.

H. R. 2506

OFFERED BY: Ms. Jackson-Lee of Texas

Amendment No. 47: In title II of the bill in the item relating to “CHILD SURVIVAL AND HEALTH PROGRAMS FUND”, after the first dollar amount, insert the following: “(increased by $100,000,000)”; in title II of the bill in the item relating to “CHILD SURVIVAL AND HEALTH PROGRAMS FUND”, after the first dollar amount, insert the following: “(increased by $60,000,000)”.

H. R. 2506

In title II of the bill in the item relating to “CHILD SURVIVAL AND HEALTH PROGRAMS FUND”, after the fourth dollar amount in the fourth proviso, insert the following: “(increased by $60,000,000)”.

In title II of the bill in the item relating to “CHILD SURVIVAL AND HEALTH PROGRAMS FUND”, after the fourth dollar amount in the fourth proviso, insert the following: “(increased by $40,000,000)”.

In title II of the bill in the item relating to “AMERICAN COUNTERDRUG INITIATIVE”, after the first dollar amount, insert the following: “(decreased by $100,000,000)”.

H. R. 2506

OFFERED BY: Ms. Eddin Bernick Johnson of Texas

Amendment No. 48: Page 2, line 25, after the dollar amount, insert the following: “(reduced by $25,000,000)”. Page 36, line 26, after the dollar amount, insert the following: “(increased by $25,000,000)”.

H. R. 2506

OFFERED BY: Ms. Eddin Bernick Johnson of Texas

Amendment No. 49: Page 112, after line 22, insert the following:

REDUCTION OF FUNDS

SEC. ___. The amounts otherwise provided by this Act are revised by reducing the amount made available in title I for “SUBSIDY APPROPRIATION”, and increasing the amount made available for “INTERNATIONAL FINANCIAL INSTITUTIONS GLOBAL ENVIRONMENT FACILITY”, by $25,000,000.

H. R. 2506

OFFERED BY: Ms. Kaptur

Amendment No. 50: Page 29, beginning on line 8, strike “not to exceed $125,000,000 may and insert “not less than $125,000,000 should”.

H. R. 2506

OFFERED BY: Mrs. Maloney of New York

Amendment No. 51: Page 7, line 3, after the dollar amount, insert “(reduced by $5,000,000)”.

Page 7, line 4, after the dollar amount, insert “(increased by $5,000,000)”.

H. R. 2506

OFFERED BY: Mrs. Maloney of New York

Amendment No. 52: Page 7, line 4, insert after “mural health” the following: “(of which $5,000,000 shall be available for assistance to the Government of Bosnia and Herzegovina to address the special needs of children at risk, especially orphans)”.

H. R. 2506

OFFERED BY: Mr. Ose

Amendment No. 53: Page 23, line 7, insert after the dollar figure “(reduced by $5,500,000)”.

H. R. 2506

OFFERED BY: Mr. Ose

Amendment No. 54: Page 49, line 5, after the dollar amount, insert “(reduced by $700,000)”.

H. R. 2506

OFFERED BY: Mr. Paul

Amendment No. 55: Page 112, after line 22, insert the following:

PROHIBITION ON UNITED STATES CONTRIBUTION TO THE UNITED NATIONS INTERNATIONAL NARCOTICS CONTROL BOARD

SEC. ___. None of the funds appropriated by this Act may be used for a United States contribution to the United Nations International Narcotics Control Board.

H. R. 2506

OFFERED BY: Mr. Payne

Amendment No. 56: Page 2, strike line 21 and all that follows through line 17 on page 3.

H. R. 2506

OFFERED BY: Ms. Payne

Amendment No. 57: In title II of the bill in the item relating to “DEVELOPMENT ASSISTANCE”, after the first dollar amount, insert the following: “(increased by $77,000,000)”.

In title II of the bill in the item relating to “ECONOMIC SUPPORT FUND”, after the first dollar amount, insert the following: “(reduced by $77,000,000)”.

H. R. 2506

OFFERED BY: Mr. Payne

Amendment No. 58: In title III of the bill in the item relating to “FOREIGN MILITARY FINANCING PROGRAM”, after the first dollar amount, insert the following: “(reduced by $28,000,000)”.

In title IV of the bill in the item relating to “CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND”, after the first dollar amount, insert the following: “(increased by $28,000,000)”.

H. R. 2506

OFFERED BY: Mr. Trafficant

Amendment No. 59:
CONGRESSIONAL RECORD—HOUSE

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SEC. 7. None of the funds made available by this Act may be used to award a contract to a person or entity whose bid or proposal reflects that the person or entity has violated the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

H.R. 2605

OFFERED BY: MR. VISCLOSKY

AMENDMENT NO. 60: In title I, in the item relating to "SUBSIDY APPROPRIATION", after the aggregate dollar amount, insert "(reduced by $15,000,000)".

In title I, in the item relating to "ADMINISTRATIVE EXPENSES", after the aggregate dollar amount, insert "(reduced by $3,000,000)".

In title II, in the item relating to "CHILD SURVIVAL AND HEALTH PROGRAMS FUND"—

(1) after the aggregate dollar amount, insert "(increased by $18,000,000)"; and

(2) in the 4th proviso—

(A) after the dollar amount allocated for vulnerable children, insert "(increased by $5,000,000)"; and

(B) after the dollar amount allocated for HIV/AIDS, insert "(increased by $13,000,000)".

H.R. 2506

OFFERED BY: MS. WATERS

AMENDMENT NO. 61: Page 112, after line 22, insert the following:

DEBT CANCELLATION FOR HIP COUNTRIES

SEC. 7. The Secretary of the Treasury shall instruct the United States Executive Director at the International Bank for Reconstruction and Development and the International Monetary Fund to use the voice, vote and influence of the United States to—

(1) cancel 100 percent of the debts owed by the Heavily Indebted Poor Countries (HIPCs) to such institutions; and

(2) require such debt cancellation to be provided by such institutions through the use of their own resources.
The Senate met at 10 a.m. and was called to order by the Presiding Officer, the Honorable Jean Carnahan, a Senator from the State of Missouri.

PRAYER

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

Joyous God, in whose heart flows limitless joy, we come to You to receive Your arsienal joy. You have promised joy to those who know You intimately, who trust You completely, and who serve You by caring for the needs of others. We agree with Robert Louis Stevenson, “To miss the joy is to miss everything.” And yet, we confess that often we do miss the joy You offer. It is so much more than happiness which is dependent on people, circumstances, and keeping things under our control. Sometimes we become grim. We take ourselves too seriously and don’t take Your grace seriously enough. Give us the psalmist’s assurance about You when he said, “To God be exceeding joy” or Nehemiah’s confidence, “The joy of the Lord is my strength” or Jesus’ secret of lasting joy: abiding in Your love.

May this be a day when we serve You with gladness because Your joy has filled our hearts. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable Jean Carnahan 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.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication from the Senate to the President pro tempore (Mr. Byrd).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Jean Carnahan, a Senator from the State of Missouri, to perform the duties of the Chair:

ROBERT C. BYRD,
President pro tempore.

Mrs. Carnahan thereupon assumed the chair as Acting President pro tempore.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

SCHEDULE

Mr. REID. Madam President, today the Senate will consider resolution of the Energy and Water Appropriations Act. Cloture was filed on this bill yesterday evening. Unless further agreement is reached, the Senate will vote on cloture on this matter Friday morning.

The majority leader requested that I express to the Senate the fact that we will be voting into the afternoon on Friday unless we are able to move more quickly than we have the last couple of days.

I remind everyone that in addition to being on the finite list, which has already been filed, all first-degree amendments on the energy and water bill must be filed before 1 p.m. today.

We still hope we can reach agreement and complete action on the energy and water bill this morning. We also hope to reach agreement on considering a number of Executive Calendar nominations and begin work on any available appropriations bill and also work on the Graham nomination, which is something the majority leader wants to move to as quickly as possible.

MEASURE PLACED ON THE CALENDAR—H.J. RES. 36

Mr. REID. Madam President, it is my understanding that there is a bill at the desk due its second reading.

The ACTING PRESIDENT pro tempore. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 36) proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

Mr. REID. Madam President, I object.

The ACTING PRESIDENT pro tempore. Under the rule, the resolution will be placed on the calendar.

RECESS

Mr. REID. Madam President, I ask unanimous consent that the Senate stand in recess until 10:30 this morning. There being no objection, the Senate, at 10:05 a.m. recessed until 10:30 a.m. and reassembled when called to order by the Acting President pro tempore (Mrs. Carnahan).

Ms. MIKULSKI. Good morning, Madam President.

I ask unanimous consent to speak as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Maryland is recognized.

TRIBUTE TO KATHARINE GRAHAM

Ms. MIKULSKI. Madam President, I rise to speak today to pay tribute to the life and legend of Katharine Graham. It is as if the Washington Monument has fallen. It is as if the lights have gone out at the Smithsonian Institution or the lights have gone out at the Lincoln Memorial. I truly cannot imagine Washington without Kay Graham. She was a Washington institution, a very real person with a remarkable mix of qualities. Much has been said about her grace, her grit, her steel, her great intelligence.

Kay Graham put those qualities into action. She lived an extraordinary life and left an indelible mark on our Nation.

I know the Presiding Officer liked Kay Graham because she took chances. Perhaps one of the greatest chances she took was when she actually took the helm of the Washington Post. Think about it. It was 1963. It was not a time when women did bold things, power things, and they certainly were not on the rung of leadership to be CEOs. She was a woman who had faced enormous personal tragedy. But as she reflected on where she was, where her family was, and where this newspaper was, she decided to take the helm.

She was initially a reluctant leader, thrown into a leadership position because of the death of her husband. In embracing a leadership position, she set about hiring the very best people and giving them the independence to create one of the greatest newspapers in the world.

She built a Fortune 500 company. And guess what. She became the first woman to head a Fortune 500 company.

There were other firsts for Katharine Graham as well. She was the first director of the Associated Press, the first woman to lead the American Newspaper Publishers Association. I could go through a whole list.

Now we take for granted that women will lead, that women will be in positions of leadership in the private sector and in the public sector. We now enjoy the fact that there are 13 women in the Senate. We have women as university presidents, Governors, and CEOs from dot coms to leaders of the old economy.

Yet we cannot forget how hard it was to be the first because for the first and the only, it is also being the first and the lonely.
What Katharine Graham did involve other people in her life and in her family and in creating that institution. She was probably two great milestones in the history of journalism. She made the courageous decision to print the Pentagon Papers, which gave us this view on the Vietnam war, and then she rigorously pursued the Watergate story.

It is said that men in the highest of power just cringed at the name of Katharine Graham, the Washington Post, Ben Bradlee and the team that he assembled. The highest levels of Government tried to suppress these stories. They used threats. They used intimidations. Katharine Graham did not flinch nor did she falter. The Washington Post and Kay Graham stood firm.

Katharine Graham knew her role was to print the truth, no matter what the impact would be. She truly changed the course of history.

Mrs. Graham’s actions reinforced the fact that the freedom of speech cannot be abridged—especially by our own Government.

While she hired gifted and talented reporters and editors, she herself did not take up the pen until 1997 when she wrote a book called her “Personal History.” Her autobiography struck a chord even with people who cared nothing about the ways of Washington. In it she had wonderful stories about historic figures. She also showed that she herself was a gifted and talented writer, going on to win the Pulitzer Prize. So much for being a shy, awkward debutante of 40 years before.

What really resonated was the story about a woman who faced crises and confronted them with courage and dignity. I know the Presiding Officer has confronted them with courage and dedication. I know the Presiding Officer has confronted them with courage and dedication.

What an incredible lunch. First of all, we were the talk of Washington, and we were the talk of the world. Raisa was trying to woo America to show that Soviet women were smart and fashionable. And she chose as her venue the Penthouse lunch.

I tried to engage her, in her dissertation on what life was like on the collective farm, as two sociologists. We talked about life and times. But the hit of the lunch was Kay Graham and the way she engaged Raisa Gorbachev. Under Kay Graham’s incredible graciousness, courtesy, manners, and charm was one ace investigative reporter. While the rest of us were talking and engaging in intellectual conversation, Mrs. Graham began to engage Mrs. Gorbachev in these kinds of questions: What is it like to be the functional equivalent of the First Lady in the Soviet Union? What was your surprise when you came to power? What do you find it like as in the life of a woman?

I wish you could have heard the late Mrs. Gorbachev’s answers. We saw one side of Raisa Gorbachev we didn’t know: a woman who saw herself as a scholar, coming to power with a man who had been the head of the Department of Agriculture, that they were changing world history. She was shocked by the number of letters she received, the way the Soviet women had reached out to her, one on one.

We heard that Raisa story because of the way Kay Graham talked to her. It was a very special afternoon. I got to know Mrs. Gorbachev a lot better. Do you know who else I got to know a lot better? Kay Graham. She had world leaders at her feet and at her side. But most of all, she had the gratitude of leaders who knew that at the Washington Post there was a great leader who was willing to meet with other leaders but, no matter what, she said she would print the truth and call them the way she saw them.

I am sorry that Kay Graham has been called to glory. God bless her, and may she rest in peace. She has left a legacy that should be a benchmark, a hallmark, and a torch for every other newspaper in America, for all of us who hold leadership, and for women who are in power. May we be as gracious and as unflinching in our duties as Kay Graham.

I yield the floor and suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Ms. STABENOW). Without objection, it is so ordered.

RESERVATION OF LEADER TIME

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

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2002—Continued

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2311, which the clerk will report.

The assistant legislative clerk read as follows: A bill (H.R. 2311) making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada is recognized.

RECESS

Mr. REID. Madam President, I ask unanimous consent the Senate stand in recess until 12:15 today, and at that time I be recognized.

Thereupon, the Senate, at 11:20 a.m., recessed until 12:15 p.m. and reassembled when called to order by the Presiding Officer (Ms. LANDRIEU).

RESERVATION OF LEADER TIME

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

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2002—Continued

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2311, which the clerk will report.

The assistant legislative clerk read as follows: A bill (H.R. 2311) making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Nevada is recognized.

RECESS

Mr. REID. Madam President, I ask unanimous consent the Senate stand in recess until 1:30 p.m. today, and that I be recognized at 1:30 p.m.

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

Thereupon, the Senate, at 12:16 p.m., recessed until 1:30 p.m. and reassembled when called to order by the Presiding Officer (Mrs. LINCOLN).
Mr. REID. Madam President, with respect to rule XXII, I ask unanimous consent that Members with amendments on the finite list of amendments to the energy and water appropriations bill have until 2 p.m. today to file first-degree amendments, except for the managers' package, which has been agreed to by both managers and by both leaders.

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

Mr. REID. Madam President, I ask unanimous consent to briefly speak as if in morning business.

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

(The remarks of Mr. Reid are printed in today’s RECORD under “Morning Business.”)

Mr. REID. Madam President, I suggest the previous question.

The PRESIDING OFFICER. 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 (Mr. Nelson of Florida). Without objection, it is so ordered.

AMENDMENT NO. 1024

Mr. REID. Mr. President, I send the managers' amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada (Mr. Reid), for himself and Mr. Domenici, proposes an amendment numbered 1024.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. SARBAINES, Mr. President, the purpose of my amendment is to address the very serious problem of shoreline erosion and sedimentation which are adversely impacting the health of the Chesapeake Bay watershed.

There are approximately 7,325 miles of tidal shoreline along the Chesapeake Bay and its tributaries. In an average year, it is estimated that 4.7 million cubic yards of shoreline material are deposited in the Bay due to shoreline erosion. The results not only in serious property damage, but also contributes millions of cubic yards of sediment annually to the bay. This sediment adversely affects the bay's water quality, destroys valuable wetlands and habitat, and clogs the bay's navigational channels.

The Army Corps of Engineers operates thirteen reservoirs on the upper Susquehanna River and regulates the river's low and high water flows. There are also four hydroelectric projects on the lower Susquehanna. Under normal conditions, these reservoirs and dams serve as traps for the harmful sediment which flow into the River. During major storms however, they suddenly discharge tremendous amounts of sediment, degrading the water quality of the Chesapeake Bay, destroying valuable habitat and killing fish and other living resources. Scientists estimate that Tropical Storm Agnes in 1972 aged the bay by more than a decade, stripping three days of days because of the slug of sediments discharged from the Susquehanna River reservoirs. There is a real danger that another major storm in the basin could scour the sediment that has been accumulating behind these dams and present a major setback to our efforts to clean up the bay.

Chesapeake 2000, the new interstate Chesapeake Bay Agreement, has identified control of sediment loads as a top priority for improving the environmental quality of the bay. The agreement specifically calls for load reductions from sediment in each major tributary by 2001 and for implementing strategies that prevent the loss of the sediment retention capabilities of lower Susquehanna River dams by 2003.

Unfortunately, our understanding of the sediment processes and sources of sediments which feed the bay system is still very limited and, to date, few efforts have been undertaken to address the environmental impacts of shoreline erosion and sedimentation on the bay.

In 1990, the Army Corps of Engineers completed a study on the feasibility of shoreline erosion protection measures which could protect both the land and water resources of the Chesapeake Bay from the adverse effects of continued erosion but, due to limited authorities, no Federal construction action was recommended at the time. However, the report recommended that the Corps pursue other strategies including developing and refining ecosystem models to provide a better understanding of the environmental impacts of sedimentation and sediment transport mechanisms and identifying priority deposition-prevention areas which could lead to structural and non-structural environmental enhancement initiatives.

On May 23, 2001, the Senate Environment and Public Works Committee, approved a resolution which I sponsored together with Senator Warner and Mikulski, directing the Secretary of the Army to review the recommendations of the Army Corps of Engineers' 1990 Chesapeake Bay Shoreline Erosion Study and other related reports and to conduct a comprehensive study of shoreline erosion and related sediment management measures which could be undertaken to protect the water and land resources of the Chesapeake Bay watershed and achieve the water quality and supporting other finfish and shellfish populations. According to scientists, when oyster populations were at its height, they could filter all of the water in the Bay in three to four days. Today, with the depleted oyster stock, it takes over one year.

Although it took a long time to develop, there is now consensus in the scientific community, and among watermen and the Bay partners that increasing oyster populations by ten-fold over the next decade is a key factor in restoring the living resources of the Bay. Using historic oyster bed locations, owned by the Commonwealth,
this federal-state effort has built three-dimensional reefs, stocked them with oyster spat and designated these areas as permanent sanctuaries. These protected areas, off limits to harvesting, have shown great promise in producing oysters that are “disease tolerant” which are reproducing and building up adjacent oyster beds.

The new Chesapeake Bay 2000 Agreement, between the federal government and the Bay states, calls for increasing oyster stocks tenfold by 2010, using the 1994 baseline. This goal calls for constructing 20 to 25 reefs per year at dimensions where the reefs rise above the Bay bottom so that young oysters survive and grow faster than silt can cover them.

Mr. President, with the funding provided last year to the Corps and the additional state funds, there is now an active oyster reef construction program underway in both Virginia and Maryland.

My amendment today recognizes the significant allocation of state scientific and state programs that devote their time and resources to the oyster restoration partnership. Integral to the entire project is the state effort to map the large oyster ground areas to determine those sites most suitable for restoration, and to provide suitable shell stock.

For example, in Virginia the focus of the next oyster reef construction area is on the large grounds in Tangier and Pocomoke Sounds. State Conservation and Replenishment Department staff created maps that were gridded and evaluated. Eight sanctuary reef sites and more than 190 acres of restorable harvest areas were identified during the oyster ground stock assessment in this area earlier this year.

In preparation for reef construction this summer, Virginia contracted with local watermen to clean the harvest areas and reef sites. In June of this year, four areas were planted with 86,788 bushels of oyster shells at a cost of $139,000 in state funds.

The State of Maryland has been equally committed to providing resources to the Corps for the construction of reef sites in the Maryland waters of the Bay.

Consistent with other Corps programs, my amendment permits the Corps to recognize the strong partnership by the states to restore oyster populations and provide credit toward the non-federal cost share for in kind work performed by the states.

This federal-state sanctuary program is essential to restoring the Chesapeake Bay oyster. The oyster is a national asset because it has the capability of water purification by filtering algae, sediments and pollutants. Sanctuary oyster reefs also provide critical habitat to other shellfish, finfish and migratory waterfowl.

It has been my privilege to see the construction of these sanctuary reefs last April and I am encouraged by the success of the reefs built in Virginia. I am confident that this program is the only way to replenish—and to save—the Chesapeake Bay oyster. I respectfully urge its adoption.

Ms. SNOWE. Mr. President, I rise to thank Senator REID and DOMENICI for including the Snowe-Collins amendment in the Fiscal Year 2002 Energy and Water Development Appropriations today to help the Town of Ft. Fairfield, ME. My amendment should resolve a serious design problem that has arisen in connection with the construction of a small flood control levy project in Ft. Fairfield, which is located above the 46th parallel in Northern Maine, where the river freezes every fall and stays frozen well into spring.

The proper functioning of the levy is vital to the town’s economic viability and for protection against future flooding of the downtown area. My amendment should allow the Army Corp of Engineers to assume financial responsibility for a design deficiency in the project relating to the interference of ice with pump operation so that there will be no further and inappropriate cost to the Town.

My amendment calls for the Secretary of the Army to investigate the flood control project and formally determine whether the Secretary is responsible. Since the Corps has already assumed responsibility for the design deficiency, the Secretary will then order the design deficiency to be corrected at 100 percent federal expense.

Once again, I thank the Chairs for their continued support for the levy project in Ft. Fairfield over the years, and I am pleased that the town will now have assurance that their flooding problems are behind them and can go forward with their economic development plans for their downtown area.

Mr. REID. Mr. President, I ask unanimous consent that the amendment submitted by Senators REID and DOMENICI be agreed to and the motion to reconsider be laid upon the table. The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 1024) was agreed to.

Mr. REID. Mr. President, I suggest the absence of a quorum.

Mr. SPECTER. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid upon the table. The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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 remarks of Mr. DOMENICI are located in today’s Record under “Morning Business.”

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names: Mr. DOMENICI, Mr. NELSON of Nebraska, and Mr. REID.

The PRESIDING OFFICER. A quorum is not present. The clerk will call the names of absent Senators.

The assistant legislative clerk resumed the call of the roll.

Mr. REID. Therefore, Mr. President, I move to instruct the Sergeant at Arms to request the presence of absent Senators. 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 of the Senator from Nevada. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Nevada (Mr. ENSIGN) is necessarily absent.

The result was announced—yeas 76, nays 23, as follows:

[ROLLED Vote No. 239 Leg.]
CONGRESSIONAL RECORD—SENATE

July 19, 2001

FUNDING FOR BEACH REPLENISHMENT PROJECTS

Mr. REID. I would be happy to accommodate my colleagues from New Jersey. Mr. TORRICELLI. I thank the Senator from Nevada. Mr. President, I am very pleased to see that the fiscal year 2002 Energy and Water Appropriations bill makes appropriations for many important water resources projects throughout the country. In particular, the Army Corps of Engineers budget includes $1.57 billion in construction funding for important dredging, flood control, and beach replenishment projects, many of which are in my State.

We are extremely grateful that the subcommittee has provided New Jersey with sorely needed funds. And while we understand that the committee has appropriated projects with limited funds, we ask that should funds be made available during conference, that they would consider funding beach replenishment new construction starts. There are several new start projects in my State which are in desperate need of funding, and I would like to draw your attention to several of these projects, and ask that the chairman and ranking member of the subcommittee consider funding for these projects. I cannot stress how vital these projects are to the economies of my State, the region, and our Nation.

Mr. CORZINE. Mr. President, New Jersey’s 127 miles of beaches are wide open, dotted with sand dunes and boardwalks offset by a rolling blue surf and white, warm sand. From Sandy Hook to Cape May Point, one hundred and sixty million people visit New Jersey beaches per year. These visitors generate the bulk of the tourism industry in New Jersey, which is the backbone of our economy. Spending by tourists totaled $26.1 billion in New Jersey in 1998, a 2 percent increase from $25.6 billion in 1997. Clearly, our beaches are our lifeline, and their health is paramount.

This year, there are five new start beach replenishment projects that are in critical need for Federal funding. These projects: the Lower Cape May Meadows, the Brigantine Inlet to Great Delaware Bay coastline—Oakwood Beach, the Delaware Bay coastline—Villas and Vicinity, are vital to fighting beach erosion and protecting the tourist economy for South Jersey. My fear is that if Federal funds are not immediately directed to protect these beaches, they will literally disappear in the future.

Mr. TORRICELLI. While we recognize the difficulties involved in providing funding for new starts, we cannot stress how important the construction of these projects as soon as possible. I would like to note that all of these projects have been authorized by the Water Resources Development Act.

The economy of the region depends directly upon the health of its beaches. Unless construction begins in fiscal year 2002, I am concerned that the economies of the beach-towns within the scope of these projects will be seriously damaged.

Mr. REID. I thank the Senators from New Jersey and assure them that the committee recognizes the importance of protecting our beaches throughout the country.

JENNINGS RANDOLPH LAKE PROJECT

Mr. SARBANES. I thank the Senator for his kind words. I would like to clarify that it is the committee’s intent that the additional $100,000 provided in the Army Corps of Engineers’ operations and maintenance account for the Jennings Randolph Lake project will be used to develop access to the Big Bend Recreation Area on the Maryland side of the Jennings Randolph Lake immediately downstream from the dam.

Mr. REID. The Senator is correct. The committee has provided an additional $100,000 for planning and design work for access to the Big Bend Recreation Area located immediately downstream of the Jennings Randolph dam.

Mr. SARBANES. I thank the chairman for these assurances. There is great demand for additional camping, fishing, and white water rafting opportunities particularly in the area just below the dam, known as Big Bend, and these funds will be very helpful in developing access to this area.

GREAT LAKES DRILLING STUDY

Ms. STABENOW. Mr. President, as the Senator from Nevada knows, the Senate adopted the Stabenow-Fitzgerald-Levin-Durbin amendment which
would require an Army Corps of Engineers study on drilling in the Great Lakes and place a moratorium on any new drilling until Congress lifts it in the future.

It is clear that Congress has jurisdiction over Great Lakes drilling because it constitutes interstate commerce under the commerce clause of the Constitution. This constitutes interstate commerce under the Commerce clause of the Constitution for several reasons. One reason is that an environmental accident such as the release of crude oil into the waters of one or more of the Great Lakes would negatively affect the water quality, tourism and fishing industries and shorelines of multiple Great Lakes states. Another reason is that oil and gas extracted from one Great Lakes states would be transported and sold in other states in the form of many products. It would also increase the national supply of oil and gas.

For these reasons, there is no doubt that Congress has Federal jurisdiction over drilling in the Great Lakes and can put a stop to it.

Would the distinguished Chairman of the Energy and Water Subcommittee, and the author of this bill, agree with this interpretation of the Commerce clause?

Mr. REID. I totally agree that Congress has jurisdiction over drilling in the Great Lakes because it constitutes interstate commerce under the commerce clause of the Constitution. Ms. STABENOW. I thank the distinguished chairman of the subcommittee.

KOOTENAI RIVER STURGEON

Mr. CRAIG. Mr. President, I rise today to express my deep concern over the control of water levels of the Kootenai River in and around Bonners Ferry, ID, related to the Kootenai Sturgeon. The Kootenai River is directly influenced by the operations of the Libby Dam operated by the Army Corps of Engineers. This area has also been defined as critical habitat for the Kootenai Sturgeon.

Will the distinguished Senators from Nevada and New Mexico engage in a colloquy with me concerning the Kootenai River Sturgeon?

Mr. REID. I will be pleased to engage in such a colloquy.

Mr. DOMENICI. As am I.

Mr. CRAIG. The U.S. Fish and Wildlife Service is in the final stages of the biological opinion reporting on the Kootenai Sturgeon. I feel this document is severely flawed. In the assessment, the economic impact is determined to have “no effect” because the area of study is 11 miles of river bottom. As there is no economic activity on the river bottom, I understand the conclusion of the biological opinion. However, I believe the area studied by the economic impact should be the communities affected by any changes in the operations of the Kootenai River.

The biological opinion states that the river should be operated above 1,758 feet to support increased flows for sturgeon. Various studies exist that dispute this number as being correct. When the river is operated above an elevation of 1,758 feet, the water table in the surrounding area rises. As a result, farmers in the area lose crops. I argue this action is a significant economic impact.

I feel the U.S. Fish and Wildlife Service should examine a realistic area as part of their economic impact analysis—that is the area in which an economic impact occurs. Before decisions are made that drastically affect communities, all of the factors should be considered.

Mr. REID. I feel that the issues the Senator from Idaho raises are of a concern, and I want to work with him to see that a solution is found. Mr. DOMENICI. The Endangered Species Act has also significantly affected areas of my State. I want to work with the Senator from Idaho to find a solution to this issue and provide help for the affected communities.

FUNDING FOR THE GREEN BROOK SUB-BASIN PROJECT

Mr. TORRICELLI. Mr. President, the fiscal year 2002 energy and water appropriations bill provides appropriations for many important water resources projects for the state of New Jersey. I understand that these appropriations were made with limited funds and I am deeply grateful for the support the Committee has provided to many of my requests. However, there is an important New Jersey project that was not fully appropriated and we respectfully ask the managers that if funds should be made available during conference, that they consider fully funding the President’s budget request for the Green Brook Sub-Basin.

As you may know, flooding caused by Hurricane Floyd in 1999 caused tremendous damage to the state of New Jersey—especially to the town of Green Brook and the surrounding region. It is estimated that the flooding caused $6 million of damage to the region alone. Unfortunately, the floods from Hurricane Floyd were not the first to have struck the area. Records have shown that floods have continuously struck this area as early 1903. Disastrous flooding to the basin in the summer of 1971 and in the summer of 1973—in which six people were killed.

The Green Brook Sub-Basin project, which is located in north-central New Jersey and spans through three counties, began in 2000. The project will construct flood levees and flood walls, bridge raisings, closure structures, individual floodproofing, and buyouts. As you can imagine, the completion of this project will provide needed relief and bring economic revitalization to the region.

The House of Representatives has already fully funded the project for fiscal year 2002.

Mr. CORZINE. Mr. President, I support my colleague from New Jersey’s request and on our behalf, we would like to raise an additional issue with the project. We also urge that the Committee report language that directs the Secretary of the Army to implement the locally requested plan in the western portion of Middlesex County with regards to the Green Brook Sub-Basin projects to be included in the Energy and Water conference report. Many of the local residents that are affected by the Green Brook Sub-Basin project have expressed their interest in changing the project to include buyouts for this area. The report language will implement the change as well as provide lands for badly needed recreation and as well as fish and wildlife habitat enhancement. We are supporting this language and the House has included similar language in their conference report.

Mr. TORRICELLI. Mr. President, I understand the difficulty the managers will have in providing additional funds for the Green Brook Sub-Basin project. However, the full funding of this project will provide stability and economic revitalization to this very important region in the state of New Jersey.

Mr. REID. I thank the Senators from New Jersey and assure him that the committee will closely review his request.

SEWER INFRASTRUCTURE FUNDING FOR MICHIGAN

Mr. LEVIN. Mr. President, as the Senate considers the fiscal year 2002 appropriations Act for Energy and Water Development I wonder if the distinguished Senator from Nevada would answer a question regarding funding for environmental infrastructure. I would like to raise an additional issue with the Senator would be willing to consider in conference sewer infrastructure funding for Michigan projects. The need to invest in sewer infrastructure is an urgent one facing the people of Michigan and the Army Corps of Engineers is in a position to address that need. The Army Corps has had many success stories throughout the country in assisting communities in upgrading their sewer infrastructure. I would greatly appreciate the Committee’s assistance in protecting water quality in Michigan by addressing this problem.

Mr. REID. We recognize the need to upgrade our aging infrastructure and protect water quality throughout the Nation. I can assure my friend that we will carefully consider his request in conference if indeed the Conference committee is able to fund construction new starts and environmental infrastructure projects at conference, as we have done in the past.

Mr. LEVIN. I thank my friend from Nevada and the committee for their
hard work in putting together this important legislation.

**SOUTH DAKOTA WATER PROJECTS**

Mr. JOHNSON. I thank the Senator from Nevada for his leadership and cooperation in providing funding in the fiscal year 2002 Energy and Water Appropriations bill for key South Dakota rural water projects and priorities. As chairman of the Energy and Water Subcommittee, he has provided funding above the President's request and the House approved level for the Mni Wiconi Rural Water Project and the Mid-Dakota Rural Water Project. Moreover, the Senator funded other important water projects in South Dakota such as the Lewis and Clark Rural Water System. Indeed, his commitment will benefit many South Dakotans.

Mr. REID. I say to my colleague from South Dakota that I appreciate his efforts to work with me on this bill. As a new member of the Senate Appropriations Committee, I know the Senator is a leader in advocating increased investments for rural water projects in your State. I also understand the importance of rural water projects to the citizens of South Dakota and I look forward to continued cooperation on these and other priorities.

Mr. JOHNSON. I thank the Senator from Nevada for his assistance and recognition of South Dakota's rural water needs. Despite the high priority given to provide funding for these South Dakota water projects, two critical items remain important to me as the Senate works to complete action on the FY02 Energy and Water Appropriations bill in its upcoming conference with the House of Representatives.

First, the Mid-Dakota Rural Water Project is in need of an increase in funding to ensure the timely delivery of safe, clean, and affordable water to citizens and communities served by that project. Second, the James River Water Development District—a subdivision of State government in South Dakota—requires funding to complete an Environmental Impact Statement on authorized projects along the James River watershed before the JRWDD can commence continued channel restoration and improvements authorized by section 401(b) of the Water Resources Development Act of 1986 (30 Stat. 4128).

I respectfully request the Chairman's committing to review opportunities in conference committee negotiations on the FY02 Energy and Water Appropriations bill to consider additional funding for the Mid-Dakota Rural Water System and to consider funding for the JRWDD to complete an EIS.

Mr. REID. I express to Senator Johnson my profound opportunities in conference committee negotiations on the FY02 Energy and Water Appropriations bill to increase funding for the Mid-Dakota Rural Water Project and to fund the James River Water Development District in South Dakota.

Mr. JOHNSON. I thank the Senator. **ESTUARY RESTORATION ACT**

Mr. CHAFEE. Mr. President, I would like to engage the managers of the fiscal year 2002 Energy and Water Development Appropriations bill on the issue of funding for the Estuary Restoration Act. Along with Senators Warner, Lieberman, and Smith of New Hampshire, I have offered an amendment that would provide $2 million in funding for the implementation of the Estuary Act. Enacted last year, this bipartisan law establishes the Estuary Habitat Restoration Program with the goal of restoring one million acres of estuary habitat. We understand the budgetary constraints that the Appropriations that often are not connected as this bill is being considered by the Senate. It is my hope that the managers can identify funding for the implementation of the Estuary Restoration Act during the conference with the House.

Mr. DOMENICI. I commend Senators Chafee, Warner, Lieberman, and Smith of New Hampshire for their dedication to the issue. I will work with my colleagues during the conference with the House to identify potential sources of funding for the Estuary Restoration Act.

Mr. REID. I concur with Senator Domenici. There is no objection on this side of the aisle to the Senator from Rhode Island's request.

Mr. CHAFEE. I thank the Senators and look forward to working with the committee to provide funding for the restoration of our Nation's important estuary environments.

**SMALL WIND PROJECTS**

Mr. JEFFORDS. Mr. President, I thank my colleague from Nevada, Senator Reid, for recognizing the important role small wind projects play in our energy future. As my colleague knows, the State of Vermont has been looking at the use of small wind projects. I appreciate the efforts of my colleague to provide $500,000 for a small wind project in Vermont.

Mr. REID. Small wind projects are an important source of energy for rural areas connected to the electricity grid. Both Vermont and Nevada have a number of these areas that benefit from this reliable, sustainable, clean source of energy.

Mr. JEFFORDS. To ensure that these systems, which have power capacities of less than 100 kilowatts, continue to play an important role, the committee recognized the need for a set aside for small wind programs. It is correct that the committee believes that not less than $10 million shall be made available for new and ongoing small wind programs?

Mr. REID. This is correct. The committee believes this research is important, and the Department of Energy should set aside no less than $10 million for these programs.

Mr. JEFFORDS. I thank my colleague for his support of these important small wind energy projects, and I thank him for his continued leadership in making sure that renewable energy will be a large part of our energy mix.

**TRANSMISSION RELIABILITY**

Mr. DORGAN. Mr. President, I rise to express my strong support for the electric energy systems and storage program that funds transmission reliability. Improving the reliability of our Nation's transmission system is absolutely critical. I note that while the President's budget request substantially cuts funding for this critical program, the Senate has increased the funding from approximately $52 million last year to $56 million this year.

Transmission reliability is critical to ensure that our nation's electricity supply actually reaches states and, ultimately, the homes and businesses where it is needed. We have seen in Maine, New York, and elsewhere that when we don't have sufficient supply and transmission capacity, we experience blackouts and brownouts that have significant detrimental impacts on our economy.

We need to use this money to test new technologies—specifically Composite Conductor wire—that have the ability to dramatically increase the efficiency of existing transmission wires. This type of wire eliminates the need for new wires, new rights-of-way, and new construction, which eliminates siting and permitting problems and related potential environmental impacts. We need to actually test this wire in different climatic and weather conditions to determine the efficacy of using this technology on a larger scale. To this end, I would suggest to the Subcommittee that it provide funds to actually conduct field tests to achieve these objectives.

Mr. REID. I agree that we need to conduct such field tests. I know that the Senator from North Dakota would like a field test in North Dakota, which would be extremely valuable, with the State's cold and wind conditions, to help determine the effectiveness of this technology. I will work with the Senator in conference to address his request to test this technology in the field.

**RENEWABLE ENERGY RESEARCH**

Mr. ALLARD. Mr. President, I thank the Senator from Nevada, and I commend him for his efforts to promote the advancement and progress of renewable energy sources that will help to address our energy challenges. He has been a leader of these efforts, and I appreciate his support.

This bill actually increases renewable energy research, development and deployment programs for fiscal year 2002 by $60 million over last year.
These increases will help speed the deployment of these cutting-edge technologies. But because the House had not fully funded certain solar R&D programs, the committee put its emphasis for solar programs on those programs that had not fared as well in the other Chamber. These programs, the Concentrating Solar Power program, and the Solar Buildings program with its innovative Zero Energy Buildings initiative, are now on solid footing. But the photovoltaics program, the program that has led to dramatic advances in those solar electric panels that we see popping up on the roofs of homes and businesses across the country—this program was not fully funded by the Committee. Much of this funding goes to the National Renewable Energy Lab in Golden, Colorado. Yes, it is its intention to seek the House number for PV programs in conference, and I just want to give the Senator from Nevada an opportunity to speak to this issue.

Mr. REID. I thank the Senator from Nevada. I understand the committee hopes to accept the House number for PV programs in conference, and I just want to give the Senator from Nevada an opportunity to speak to this issue.

Mr. CLELAND. I thank the distinguished Senator from Nevada for his leadership on the Appropriations Energy and Water Subcommittee. I would like to ask the Senator from Nevada whether I am correct in my understanding that the reason the Metropolitan North Georgia Water Planning District, a project that was one of my highest priorities because of its importance to the people of my State and its priority with the Governor of Georgia, was not included in the Energy and Water Appropriations Subcommittee report was because of the subcommittee's policy made pursuant to budgetary constraints that new start construction and/or environmental infrastructure water projects will not be addressed until the Energy and Water Development Appropriations Act is considered in conference committee?

Mr. REID. The Senator from Georgia is correct.

Mr. CLELAND. Am I also correct in my understanding that when the Energy and Water Development Appropriations Act is considered by the conference committee that the Metropolitan North Georgia Water Planning District project will be considered for inclusion in the conference report?

Mr. REID. The Senator is correct.

CONFRONTION FOR PLANT BIOTECHNOLOGY RESEARCH

Mr. CLELAND. Mr. President, is the senator from Nevada aware of an entity called the Consortium for Plant Biotechnology Research, a national consortium of industries, universities and federal laboratories that together support research and technology transfers?

Mr. REID. Yes, I am aware of the consortium and am familiar with the good work and significant achievements that the consortium has produced for the Department of Energy in the past.

Mr. CLELAND. I understand that the committee was unable to include it in the Solar Renewable Account during its consideration of the energy and water development appropriations bill. Am I correct?

Mr. REID. Yes, I believe that is correct.

Mr. CLELAND. As the energy and water development bill moves into conference, I hope the Senate can identify additional funds in the Solar and Renewable Account or another appropriate research account for the consortium so that it can continue its important work.

Mr. REID. The Senate will do all it can to find these funds for the consortium as we work with the House conference on the bill.

Mr. ALLARD. I commend my colleague from Georgia, Senator CLELAND, for his work on behalf of the consortium and state my support for the allocation of funding for the consortium in the energy and water development appropriations bill in conference. The consortium, of which the University of Colorado is a member, has an astounding record of obtaining private sector matching support for its research activities and has done an amazing job of commercializing its research product. For every dollar invested in the consortium, $2.20 worth of research has been conducted with private sector matching funds—an impressive 120 percent private sector match. Additionally, the consortium has managed to commercialize its research within an average of three years, compared to an industry average of about 10 years. Again, I would like to state my support for funding for this unique and efficient national research institution.

Mr. REID. The committee is aware of the good work the consortium has produced with department of Energy funding over the past decade. The Senate will do its best to try and identify funding for the consortium while in conference with the House.

GAS COOLED REACTOR SYSTEMS

Mr. STEVENS. Mr. President, as some Members may be aware, I have supported the development of gas cooled reactor systems, both small and large, for the provision of electric power and useful heat for our cities. As currently envisioned, gas cooled reactors will be meltdown proof, create substantially less radioactive waste and will be more efficient than our current generation of reactors.

Currently, the Department of Energy is funding a joint U.S.-Russian effort to develop the Gas Turbine Modular Helium Reactor for the purpose of burning up surplus Russian weapons Plutonium. This tremendously successful swords to plowshares project is making great technical progress and employs more than 500 Russian weapons scientists and nuclear engineers.

Although the GT-MHR unit built in Russia will be primarily for burning plutonium, the Senator from Nevada knows that the proof reactor type can be easily converted into a uranium burning commercial re-actor for use around the globe. Indeed, the Appropriations Committee's report notes that "the United States must take full advantage of the development of this attractive technology for a possible next generation nuclear power reactor for United States and foreign markets".

However, the committee's bill does not explicitly provide any dollars for the commercialization of the GT-MHR design.

The senior Senator from New Mexico is a leader in nuclear energy and research. I want to ask my good friend, the Ranking Member of the Energy and Water Subcommittee, the following question regarding the commercialization of the GT-MHR: the "Nuclear Energy Technologies" account in the bill provides $7 million for Generation IV research and development and for research on small, modular nuclear reactors. Given that the federal government is already making a substantial investment on the GT-MHR for non-proliferation purposes, and given the near-term promise of this reactor, doesn't it make sense that at least one-half of the $7 million provided be used by the Department of Energy for GT-MHR commercialization efforts?

Mr. DOMENICI. I thank my friend from Alaska for his observations and for his question. As the Senator from Nevada knows, I too am a great fan of the development of the GT-MHR in Russia and indeed, I was the Senator that initiated the first Federal funding for this program. The question is a fair one and I will have to say that his observations and the conclusion he draws from them are correct. I agree that a substantial portion of the $7 million in funding should indeed be put to good use in commercializing the GT-MHR which is being designed with great cost-effectiveness and success in Russia.

Mr. STEVENS. I thank my good friend from New Mexico for his response. Small modular reactors which...
are of great potential importance to rural areas and hence of great interest to me. Last year, at my request, Congress provided $1 million for the Department of Energy to study the feasibility of small modular nuclear reactors for deployment in remote locations. That report is now done and in brief, the Department of Energy has concluded that such reactors are not only feasible, but may eventually be a very desirable alternative for many remote communities without access to clean, affordable power sources.

Importantly, one of the most desirable remote reactor types the Department examined was a reduced sized version of the GT-MHR called the Remote Site Modular Helium Reactor. Given the outstanding characteristics of this remote reactor as identified in the Department’s report and given that the Department is already developing the basic technology via the Russian program, I believe the Department of Energy should focus on further developing the RS-MHR in the upcoming year.

I thank the Senator from New Mexico.

NEW YORK-NEW JERSEY HARBOR NAVIGATION PROJECT

Mr. SCHUMER. Mr. President, there are currently three major federally authorized and sponsored navigation projects under construction in the Port of New York and New Jersey and a fourth in the preconstruction, engineering and design phase. The projects that would deepen the Arthur Kill Channel to 41 feet, the Kill van Kull Channel to 45 feet, the Port Jersey and New York Harbor channels to 41 feet, are being built. An overarching project called the New York-New Jersey Harbor Navigation Project which would take these channels to 50 feet depth is in PED.

These projects are staggered in this fashion only because of the order in which they were authorized. I would ask my colleague from New Jersey if there is any other reason for this segmentation.

Mr. TORRICELLI. There certainly is no policy reason. In fact, each constituent project has passed a cost-benefit analysis, each has been shown to be in the federal interest, and each is subject to the appropriate cost-share consistent with Water Resource Development policy. The Port Authority of New York and New Jersey will fund the non-Federal share of each of these projects.

Since the Harbor Navigation Project was authorized last year, the Army Corps and the Port Authority have been working to formulate a plan that would allow these projects to be managed as one in order to provide time and cost savings. They have recently concluded that this could result in as much as $400 million in savings to the Federal Treasury.

But in order to achieve that savings, it is important that we begin looking at joint management of these projects as soon as possible. I ask the distinguished Chairman, if Senator Corzine, Senator Clinton, Senator Schumer and myself could demonstrate that the Army Corps could achieve substantial future Federal savings by jointly managing all four of these projects, would he assist us in our efforts to secure conference report language that would allow the Corps to manage these projects in this manner?

Mr. REID. I would say to my friends, the Senators from New York and New Jersey, that I am appreciative of their desire to reduce the cost of major Army Corps projects. They know as well as I do that the Corps has a $40 plus billion backlog of authorized projects. I am concerned about a few aspects of this request, however. I am concerned that this request would have an impact on the WRDA cost-share policy, which requires greater non-federal contributions for navigation projects that go deeper than 45 feet. I would not want the Army Corps to conclude that it could apply the cost-shares for the Kill van Kull, Arthur Kill, or Port Jersey project to the effort to bring about 50-foot channel depths, which require a larger non-federal contribution. I hope the Senators would understand that, as a member of the Senate Environment and Public Works Committee, I could not support appropriations language that would undermine the WRDA policy or the committee’s jurisdiction.

Mr. SCHUMER. I would respond to my friend, the distinguished chairman, that the report language we seek will be consistent with the WRDA policy regarding the appropriate cost-share for navigation project. I would also say that we intend to secure the Army Corps’ support as well as that of the Senate Environment and Public Works Committee for the appropriation language that would undermine the WRDA policy or the committee’s jurisdiction.

Mr. REID. In the interest of constructing these projects as quickly as possible and with the greatest savings to the American taxpayer, I would respond to my colleague that we will be happy to consider any such conference report language. I urge him to get it to us as soon as possible.

Mr. TORRICELLI. On behalf myself and the Senator from New York, I thank the chairman.

MIXED OXIDE FUEL

Mr. HOLLINGS. Mr. President, I drafted an amendment to the FY02 Energy and Water Subcommittee to delay plutonium shipments to the Savannah River Site until the administration solidifies its commitment to South Carolina to treat weapons-grade material and move them off-site. I understand that at least one member of my staff would view this as an extreme measure, but the result of budget cuts to Fissile Materials Disposition programs by DOE forced the NNSA to abandon a concurrent dual track approach for plutonium disposition and to substitute a risky “layered” approach. Despite administration briefings and testimony concerning Congress, there remain serious concerns about the disposition strategy contemplated by DOE and significant risk to South Carolina to store these materials for an extended period, maybe indefinitely, before they are processed.

I fully understand the DOE-wide implications of delaying the closing of Rocky Flats and empathize with my colleague from Colorado’s keen interest in closing the site. South Carolina and other DOE-site states, have been instrumental in assisting Colorado in meeting DOE milestone to close the site ahead of schedule. South Carolina should have a definite timetable for treating waste on site and an identified pathway out, too, just like Colorado.

Mr. THURMOND. I join my colleague, Senator Hollings, and express my concern regarding recent developments in the Plutonium Disposition Program. I thank him for bringing this discussion to the floor today.

The Plutonium Disposition Program, particularly the Mixed Oxide Fuel Program is of critical importance to our Nation. There are invaluable national security aspects, including the counter-proliferation mission. In addition, the MOX program can be an important factor in addressing our Nation’s energy needs.

I have had many conversations with administration officials on this matter. I received personal assurances from the Secretary of Energy, who stated MOX is his “highest nonproliferation priority.” I am aware that the administration is not fully committed to the Plutonium Disposition Program, leaving South Carolina as a dumping ground for our Nation’s surplus nuclear weapons material.

Mr. HOLLINGS. I thank the Senator for his remarks. I would appreciate Senator Thurmond’s views on MOX as a primary option for plutonium disposition. Would you also agree that South Carolina should also be provided a concurrent back-up option to MOX?

Mr. THURMOND. I thank the Senator for his question. While MOX should be the primary disposition option, I do agree there should be a back-up plan for disposing surplus plutonium. I will work with my colleagues to require the administration to guarantee a back-up plan.

Mr. HOLLINGS. I thank the Senator. I would invite my colleague on his views on the cost of not proceeding. Would the Senator agree that not dealing with the existing stockpiles of nuclear materials and oxides found at

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DOE industrial and research sites will ultimately cost more than the construction of the MOX facility and the Plutonium Immobilization Plant.

Mr. THURMOND. The Senator is correct, the status quo simply does not make fiscal sense. It is my understanding that the cost of the two plants together is less than the cost of current storage requirements, over a comparable time period. In fact, according to a November 1996 DOE report entitled “Technical Summary for Long Term Storage of Weapons-Useable Fissile Materials,” building and operating the MOX plant over a 50-year period, is over $1 billion less than the costs of maintaining the current infrastructure.

Mr. ALLARD. I thank my good friend, Senator HOLLINGS, for allowing me to speak on this critical need for compromising on his amendment regarding plutonium disposition. As the Senator knows, I was opposed to his original amendment and glad to see that a compromise has been reached regarding this very important issue of fissile materials disposition. The Senator’s original amendment would have prohibited any funding for the transportation of surplus U.S. plutonium to the Savannah River Site until a final agreement was concluded for primary and secondary disposition activities.

All members with a DOE site located in their State understand how sensitive these issues are to our constituents. But we also understand the importance of the nationwide integration of sites to ensure that DOE can continue to meet all its needs and requirements.

Representing Colorado and Rocky Flats, I was concerned that this amendment could have delayed the shipment of plutonium to the Mound Site in Ohio to SRS, postpone shipments from Lawrence Livermore National Laboratory, Hanford, the Mound Site in Ohio to SRS, possibly triggering a chain reaction by other sites to deny SRS waste.

However, I definitely understand South Carolina’s concerns regarding the ability of SRS to properly dispose of DOE surplus plutonium. To my colleagues from South Carolina, I strongly support the establishment of a Mixed Oxide Fuel facility at SRS and will do all I can to assist in establishing some form of backup capability at the site as well.

As one member who is sensitive to these issues, I pledge to work with my South Carolina colleagues on this very important issue, not only for South Carolina, but also for the sake of the entire DOE complex.

I admire Senator HOLLINGS’ persistence on this matter and for working with all of the Senators who had concerns. I pledge to work not only with all members who have a DOE site to ensure a smooth and workable integration of sites regarding the treatment and disposal of waste. As chairman and ranking member of the Strategic Subcommittee of the Armed Services Committee, Senator REED and I will have an opportunity to address the plutonium disposition program as part of the FY02 National Defense Authorization Bill. I again thank the Senator for this opportunity to express my concerns and gratitude.

Mr. REED. I thank my colleagues from South Carolina for raising this very important issue. I also want to commend my colleague from Colorado for working with senators from South Carolina on this matter. As the chairman of the Strategic Subcommittee of the Armed Services Committee, I am very interested in ensuring that DOE sites are closed in a timely manner and that the waste is treated and disposed of properly. I want to assure my colleagues that the Strategic Subcommittee will carefully examine this issue as the Senate Armed Services Committee considers the Fiscal Year 2002 Defense Authorization bill.

Mr. McCAIN. Mr. President, the Energy and Water Development Appropriations bill is important to the Nation’s energy resources, improving water infrastructure, and ensuring our national security interests. Let me first commend the managers of this bill, the distinguished Chairman Senator REID and Ranking Member Senator DOMENICI, for their hard work in completing the Senate bill in order to move the appropriations process forward.

The bill provides funding for critical cleanup activities at various sites across the country and continues ongoing water infrastructure projects managed by the Army Corp of Engineers and the Bureau of Reclamation. The bill also increases resources for renewable energy research and nuclear energy programs that are critical to ensuring a diverse energy supply for this Nation.

These are all laudable and important activities, particularly given the energy problems facing our Nation. While I have great respect for the work of my colleagues to complete the committee recommendations for the agencies funded in this bill, I am also disappointed that the appropriators have once again failed to abide by a fair and responsible budget process by inflating this bill with porkbarrel spending. Unfortunately, my colleagues have demonstrated that the budget process increase energy spending is just another opportunity to increase porkbarrel spending.

This bill is 5.8 percent higher than the level enacted in fiscal year 2001, which is greater than the 4 percent increase in discretionary spending that the President wanted to adhere to.

The Senate budget request included an additional $4 billion in additional spending above the amount requested by the President, and $1.4 billion higher than last year. So far this year, with just two appropriations bills considered, spending levels have exceeded the President’s budget request by more than $3 billion.

A good amount of this increase is in the form of parochial spending for unrequested projects. In this bill, I have identified 442 separate earmarks totaling $732 million, which is greater than the 328 earmarks, or $300 million, in the Senate bill passed last year.

I have no doubt that many of my colleagues will assert the need to expend Federal dollars for their hometown projects, for development of biomass or ethanol projects in their respective States. If these projects had been approved through a competitive, merit-based prioritization process or if the American public had a greater role in deciding if these projects are indeed the wisest and best use of their tax dollars, then I would not object.

The reality is that very few people know how billions of dollars are spent in the routine cycle of the appropriations process. No doubt, the general public would be appalled that many of the funded projects are, at best, questionable—or worse, unauthorized, or singled out for special treatment because of politics.

This is truly a disservice to the American people who rely on the Congress to utilize prudent judgement in the budget approval process.

Let me share a few examples of what the appropriators are using in this year: additional $10 million for the Denali Commission, a regional commission serving only the needs of Alaska; $200,000 to study individual ditch systems in the state of Hawaii; earmark of $300,000 for Aunt Lydia’s Cove in Massachusetts; $300,000 to remove aquatic weeds in the Lavaca and Navidad Rivers in Texas; $3 million for a South Dakota integrated ethanol complex; $2 million for the Sealaska ethanol project; two separate earmarks totaling $5 million for development of Iowa Switch Grass; additional $2.7 million to pay for electrical power systems, bus upgrades and communications in Nevada; $500,000 to research brine waste disposal alternatives in Arizona and Nevada; and, $9.5 million to pay for demonstrations of erosion control in Mississippi.

These are just a few examples from the 24-page list of objectionable provisions I found in this bill and its accompanying report.

As I learned during the consideration of the Interior appropriations bill when my efforts failed to cut wasteful spending for a particular special interest...
While the security of hundreds of tons of Russian material has been improved under the MPC&A Program, comprehensive security upgrades have covered only a modest fraction of the weapons-usable material. There is no program yet in place to provide incentives, resources, and organization to Russia to sustain high levels of security.

The Baker-Cutler panel goes on to recommend $5 billion in improvements and upgrades to the MPC&A program over the next 8 to 10 years to accomplish these objectives. That may be too ambitious an objective given our current budget environment. At the very least, the Baker-Cutler report points to the need to build upon, not cut back, existing funding for the MPC&A program. In testimony before the Foreign Relations Committee in March, Senator, and now Ambassador, Baker offered a personal concern:

I am a little short of terrified at some of the storage facilities for nuclear material and nuclear weapons; and relatively small investments can yield enormous improvements in storage... From my standpoint, that is my first priority.

I share his well-grounded fear, and I hope my colleagues in both houses will recognize the vital benefits that the MPC&A program contributes to our national security.

Mr. THURMOND. Mr. President, I am pleased to rise in support of Energy and Water Development Appropriations Act for fiscal year 2002. I believe the Senate has addressed these very complex matters appropriately.

As we all know, this bill funds many significant projects. Of particular significance to me is the critical funding this bill provides for the cleanup activities at our Nation’s Department of Energy nuclear weapons sites and more specifically the Savannah River Site (SRS) in my hometown of Aiken, SC. I was disappointed by the administration’s proposed budget for these activities, and have indicated so publicly on numerous occasions. At SRS alone, the fiscal year 2002 request was almost $160 million less than the previous year.

This bill provides an additional $181 million for these crucial cleanup activities and should ensure that SRS will stay on schedule to meet its future regulatory commitments to the State of South Carolina as well as the Environmental Protection Agency.

While I am supportive of most elements of this bill there were some issues which concerned me. Specifically, the report which accompanies this bill included a directive that the Department of Energy transfer the Accelerator for the Production of Tritium (APT) project from the Office of Defense Programs within the National Nuclear Security Administration (NNSA) to the Office of Nuclear Energy, Science and Technology for inclusion in the Advanced Accelerator Applications office.

I disagree with this proposal and will oppose such a move. First and foremost, this is an appropriated defense program, not an authorization. The APT program was authorized in section 3134 of the Defense Authorization Act for fiscal year 2000 as a defense program. I wholeheartedly support exploring additional options to engineer development and demonstrations with this superb technology and I believe this work may yield dramatic advances.

However, APT is and should remain a Defense Program. Last year, the Department established a facility to be constructed at the Savannah River Site. Unfortunately, I have recently heard some troubling stories regarding the commitment of the White House to this important program.

Mr. Speaker, this week I was assigned a story from the New York Times, which ran on this Monday, July 16, 2001 entitled “U.S. Review on Russia Urges Keeping Most Arms Control,” which greatly concerned me.

According to the article, while most of the programs initiated in the previous Administration will be retained, “the White House plans to overhaul a hugely expensive effort to enable Russia and the United States to each destroy 34 tons of stored plutonium...” Mr. President, what the White House is discussing here is the Mixed Oxide Fuel Program, known as MOX. This facility is planned for the Savannah River Site.

As you likely already know, the MOX program has an invaluable counter-proliferation mission. Thanks to an agreement with the Russian Government, signed last year, the MOX program will help take weapons grade plutonium out of Russia’s Soviet stockpiles, and will also divert such materials from potentially falling into the hands of rogue nations, terrorists, or criminal organizations. In and of itself, this clearly makes the MOX program worth every penny. Earlier this year I asked Secretary of Energy Abraham where he stands on this program and he responded that MOX is his “highest non-proliferation priority.”
By the important national security aspects of this program there are many domestic issues which must be considered in developing this program. From the standpoint of providing a much needed source of energy, MOX makes good sense. Presently, there are quite literally tons of surplus nuclear weapons materials stored throughout the Department of Energy (DOE) industrial complex that could be processed in our MOX facility and reintroduced as a fuel for commercial nuclear reactors. Here is the beauty of this program, once MOX is burned in selected reactors it is gone for good. It cannot be used for weapons ever again and there is no more need for storage.

Furthermore, I am convinced that not dealing with the existing stockpiles of nuclear materials and oxides that eliminates the 'path out' for nuclear materials currently being stored at the six DOE material and research sites will ultimately cost substantially more than the construction of the MOX facility. According to the previously mentioned news article, "the administration insists it is still exploring less expensive options." According to a November 29, 1996 DOE report entitled Technical Summary for Long Term Storage of Weapons-Useable Fissile Materials, the costs of maintaining the current infrastructure far exceeds the costs of building and operating the MOX plant according to the current plan. According to the report, the cost for storage of plutonium in constant 1996 dollars is estimated to be approximately $380 million per year and the operating cost for 50 years of operation at approximately $3.2 billion. The cost is insensitive to where the plutonium is stored at any one of the four sites." The status quo simply does not make fiscal sense.

Perhaps the most critical domestic consideration regarding the MOX program is that it creates a 'path out' for materials currently being stored at SRS and awaiting processing as well as those materials that could be shipped to the site and processed there in the future. South Carolina agreed to accept nuclear materials shipments into SRS on the understanding that an expedient 'path out' would exist. Canceling the Plutonium Disposition Program amounts to that 'path out'. Neither I nor anyone else who represents South Carolina at the Federal or State level is willing to see the Savannah River Site become the de facto dumping ground for the nation's nuclear materials. If the 'path out' for these materials disappears, then the 'path in' to the Savannah River Site represents South Carolina at the Federal and State levels.

As the USAirways case demonstrates, there must be a consistent approach to our nonproliferation strategy. In case after case the Bush Administration is proliferating, rather than assisting the countries to stop their nuclear weapons programs. The MOX plant is the last, best chance to get the Russians to commit to a nonproliferation program.

Mr. President, I ask unanimous consent to print the New York Times article in the RECORD.

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

U.S. REVIEW ON RUSSIA URGES KEEPING MOST ARMS CONTROLS

(By Judith Miller with Michael R. Gordon) A Bush administration official says that America's assistance to Russia has concluded that most of the programs aimed at helping Russia stop the spread of nuclear, chemical and biological weapons are vital to American security and should be continued, a senior administration official says. Some may even be expanded.

But the White House wants to restructure or end two programs: a $2.1 billion effort to dispose of hundreds of tons of military plutonium and a program to shrink Russian cities that were devoted to nuclear weapons development, and to provide alternative jobs for nuclear scientists, the official said in an interview on Friday. Both these programs have been criticized in Congress.

The review also calls for a shift in philosophy from "assistance to partnership" with Russia. To do that, the official said, Russia would have to demonstrate a willingness to make a financial and political commitment to stop the spread of advanced conventional weapons and to fund its export control and counterproliferation programs.

One administration official said the issue of how to handle Russia's sales of sensitive technology and expertise not only to Iran, Iraq, Libya and others hostile to America was being considered separately by the White House. No decisions have been made yet.

But on those issues, it would be "hard to create a partnership if we think that Russia is proliferating," this official added. "It's not a condition; it's a fact of life." Administration officials said the recommendation to extend most Administration officials said the recommendation to extend most nonproliferation programs was not conditioned on access to the plutonium or the White House commitment to build a nuclear missile shield.

The review covered 30 programs with an estimated $420 million worth of the Pentagon's programs—called Cooperative Threat Reduction—are "effectively managed" and advance American interests.

The White House also intends to expand State Department programs that help Russian scientists engage in peaceful work. But some big-ticket programs whose budgets have already been slashed or criticized on Capitol Hill are likely to be shut down or "reconfigured," the official said.

Though it is no longer very expensive, another program, the Nuclear Cities Initiative, has already been scaled back by Congress. It was begun in 1998 to help create nonmilitary work for Russia's 122,000 nuclear scientists and to help Russia downsize geographically and economically isolated nuclear cities, where 760,000 people live.

Unhappy with both the cost and the Russian reluctance to open these cities.

Unhappy with both the cost and the Russian reluctance to open these cities to Western visitors, Congress has repeatedly slashed money for the program. Under the Bush review, the undefined 'positive aspects' would be merged into other programs, and most of the program closed.

The Clinton administration had begun the program to provide civilian work for Russia's reserved nuclear cities. But under the Bush administration, it was shifted to the Defense Department and the State Department, pay for the dismantling of weapons facilities and the strengthening of security at sites where nuclear, chemical and biological weapons are stored.

President Bush is expected to discuss some of these programs when he meets with President Vladimir V. Putin next weekend. That meeting, in Genoa, Italy, is expected to focus on how to prevent nuclear scientists from leaving for Iraq, Iran and other aspiring nuclear powers.

Under the program, the Russians would also have to exhibit awareness of the closure of two warhead-assembly plants and their convergence to civilian production.

"The administration will be making an open commitment to shut down some of these production plants if it abandons the Nuclear Cities Initiative," said Rose Gottemoeller, a senior
Energy Department official during the Clinton administration. The administration says Russia plans to close those two facilities in any event.

The White House also intends to overhaul a hugely expensive effort to enable Russia and the United States each to destroy 34 tons of stored plutonium by building facilities in Russia and the United States. The program, as currently structured, will cost Russia $2.1 billion and the United States $6.5 billion, at a minimum. The administration has pledged $400 million and has already appropriated $240 million.

In February 2000, the Clinton administration wrested a promise from Russia to stop making plutonium out of fuel from its civilian power reactors as part of a research and aid package. While Russia was supposed to stop adding to its estimated stockpile of 160 tons of military plutonium by shutting down three military reactors last December, Moscow was unable to do so because the reactors, near Tomsk and Krasnoyarsk, provide heat and electricity to those cities.

Critical to the program was too costly and was not moving forward. But supporters say the Bush administration should try harder to solicit funds from European and other governments before shelving the effort and walking away from the accord.

The administration insists it is still exploring less expensive options. The administration has also deferred a decision on a commitment to help Russia build facilities to destroy 40,000 tons of chemical weapons, the world’s such stockpile. The first plant has been completed at Gorny, 660 miles southeast of Moscow, but American assistance to build a second plant at Shchuchye, 1,000 miles southeast of Moscow, has been frozen by Congress.

Many legislators have complained that the Russian have not fully declared the total and type of chemical weapons they made, and that they have put too little of their own money for the project.

In February, however, Russia announced that it had increased its annual budget for destroying its chemical weapons sixfold, to $365 million, and presented a plan to begin operating the first of three destruction plants. The administration official said this reflected a “significant change” in Russia’s attitude toward commitments that “could have an impact on our thinking” about the program.

The Russians hope to destroy their vast chemical stocks by 2012, a deadline. The Russians hope to destroy their vast chemical stocks by 2012, a deadline that will require that they obtain a five-year extension. But Moscow will not be able to meet even that deferred deadline unless constructive progress begins soon for a destruction installation at Shchuchye.

The Clinton administration, after Congress slashed funds for the project, lined up support from several foreign governments.

Elisa Harris, a research fellow at the University of Maryland and a former specialist on chemical weapons for President Clinton’s National Security Council, said the destruction effort could fail unless the Bush administration persuades Congress to fund the plan and finally support the program.

Commenting on the review, Leon Fuerth, a visiting professor of international affairs at George Washington University and the national security adviser to former Vice President Al Gore, said, “By and large they are going to sustain what they inherited, which is good for the country.”

But the senior Bush administration official said the review did not endorse the Clinton approach. This administration, he said, is determined to “establish better and more cost-efficient ways” of achieving its nonproliferation goals and integrating such programs into a comprehensive strategy toward Russia. He said the White House planned to form a White House steering group “to assure that the programs are well managed and better coordinated.”

The PRESIDING OFFICER. Are there further amendments? 

Mr. DOMENICI. Mr. President, I have no further amendments. I thank the seven members of the staff on both sides who worked diligently on a very complicated bill. On Senator REID’s staff: Drew Willison, Roger Cockrell, Nancy Olkewicz; members of my staff: Tammy Perrin, Jim Crum, Camille Anderson, and Clay Sell.

The Senator’s staff has been a pleasure to work with, and I hope mine has. I thank you for the pleasantness and the way we have been able to work this bill out.

Mr. REID. Not only the staff has been a pleasure to work with, but you have been a pleasure to work with.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

Mr. REID. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Nevada (Mr. NICHOLS) is not present.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 2, as follows: [Rollcall Vote No. 230 Leg.] YEAS—97

Akaka
Allen
Anderson
Baucus
Bayh
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bunning
Burns
Byrd
Campbell
Caraballo
Carnahan
Carper
Chafee
Collins
Nelson (FL)
Nelson (NB)
Nichkies
Reid
Reid
Robert
Rockefeller
Santorum
Sarbanes
Stevens

Conrad
Corzine
Crommings
Craig
Craco
Darrell
DeWeine
Dodd
Domenici
Durbin
Duren
Edwards
Enzi
Feingold
Feinstein
Fitzgerald
Frakt
Graham
Grassley
Gregg
Hagel
Harkin
Hatch

Hollings
Hatchinson
Hatchison
Hatchison
Ishoof
Inouye
Jefords
Johnson
Kennedy
Kerry
Kobi
Kyl
Landrieu
Leahy
Levin
Lieberman
Linden
Lott
Lugar
Logan
McConnell
Mikulski
Miller
Markowski

NAYS—2

McCain
Norris
Sarbanes
Voinovich

NOT VOTING—1

Ensign

The bill (H.R. 2111), as amended, was passed.

The PRESIDING OFFICER. The motion to lay on the table was agreed to.

Mr. REID. I move that the Senate instruct its amendment, request a conference with the House, and the Chair be allowed to appoint conferences on the part of the Senate, with no intervening action or debate.

The motion was agreed to and the PRESIDING OFFICER, Mr. COZINN, appointed Mr. REID, Mr. BYRD, Mr. HOLLINGS, Mrs. MURRAY, Mr. DORGAN, Mrs. FEINSTEIN, Mr. HARLIN, Mr. DOMENICI, Mr. COCHRAN, Mr. MCCONNELL, Mr. BENNETT, Mr. BURNS, and Mr. CRAIG to confer on the part of the Senate.

Mr. REID. Mr. President, I asked, along with Senator DOMENICI, the Chair to appoint conferences, which the Chair did. We would like to add to the conferences Senators INOUYE and STEVENS. I ask unanimous consent that Senators INOUYE and STEVENS be added to the list of conferences on the energy and water appropriations bill.

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

Mr. REID. It is the intention of the majority leader now to move to the Graham nomination. The leader indicated there will be a number of votes tonight.

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. SARBANES. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

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

Mr. SARBANES. Mr. President, I inquire what the parliamentary situation is.

The PRESIDING OFFICER. There is no business pending at this time.

The NOMINATION OF ROGER WALTON FERGUSON, JR.

Mr. SARBANES. Mr. President, I want to speak briefly with respect to the nomination of Roger W. Ferguson to the Board of Governors of the Federal Reserve System. I understand
later today at the appropriate time we will be taking up the Ferguson nomination. I understand that it will be after the Graham nomination. This seems an opportune time to take a moment or two because, presumably, at the time we vote people may be in somewhat of a hurry to draw our business to a conclusion.

The nomination of Roger Ferguson was reported out of the Banking Committee on July 12 with one dissenting vote in the committee. He is currently a member of the Federal Reserve Board. This would be for another term on the Board, a reappointment. He was nominated for another term by President Clinton in 1999, but action was not taken on that nomination so it simply remained pending, although he continued under the applicable rules that govern membership on the Board of Governors, to serve on the Board. In the first part of this year, President Bush resubmitted his nomination to the Senate, membership on the Board of Governors of the Federal Reserve System for a term of 14 years, which is the standard term for members of the Board of Governors.

I simply want to say to my colleagues that we think Mr. Ferguson has done a fine job as a member of the Board of Governors of the Federal Reserve System. He has assumed a number of areas of prime responsibility in the workings of the Board. We think of the Board in part in terms of its monetary policy decisions, but of course the Board has a whole range of other responsibilities that affect the financial system of the country. There are many day-to-day responsibilities.

Roger Ferguson has been an integral part of the Board’s activities. He is spoken of very highly by those who watch the Board and by the members of the Board themselves, including the Chairman. He also assumes a special responsibility to work on the question of diversity in the Federal Reserve System in terms of its employment and membership practices. In fact, at his hearing we asked him some questions on that subject on the basis of a communication we had received from members of the minority caucuses in the House of Representatives. He was quite forthcoming in his responses and underscored the effort they were making in this area at the Federal Reserve. In response to these questions, he undertook to once again carefully review and examine Board policy and to intensify their efforts to ensure more diversity in the workings of the Federal Reserve System.

I urge his confirmation to my colleagues. I very much hope, when he comes before us for a vote, we will have very strong support for his reappointment to the Federal Reserve System.

We need to get these members into place at the Federal Reserve Board because there are a couple of vacancies there.

One of the Board of Governors also announced his intention to retire. The President has announced his intention to nominate a couple of members. Those nominations have not yet been sent to us, thus we have not yet received them.

In an effort to keep the Board of Governors of the Federal Reserve in sufficient number, I urge my colleagues to approve the Ferguson nomination when it comes before us later tonight.

I yield the floor.

Mr. SARBANES. 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. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

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

EXECUTIVE SESSION

NOMINATION OF JOHN D. GRAHAM OF MASSACHUSETTS TO BE ADMINISTRATOR OF THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET

Mr. DASCHLE. Mr. President, we are still attempting to come to some resolution about the sequencing of other legislative priorities for the balance of the week. Until that time, under a prior agreement, the Senate had the understanding that we would move to the consideration of the John Graham nomination, Calendar No. 104.

Pursuant to that agreement, I ask unanimous consent that the Senate now move to executive session to consider Calendar No. 104, the nomination of John Graham to be the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget, and that immediately following the consideration of Calendar No. 104, pursuant to the agreement, we consider Calendar No. 223, the nomination of Roger Walton Ferguson to be a member of the Board of Governors of the Federal Reserve for a term of 14 years.

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

The assistant legislative clerk read the nomination of John D. Graham of Massachusetts, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget, and that immediately following the consideration of Calendar No. 104, pursuant to the agreement, we consider Calendar No. 223, the nomination of Roger Walton Ferguson to be a member of the Board of Governors of the Federal Reserve for a term of 14 years.

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

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A bill (H.R. 2299) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

Mrs. MURRAY. Mr. President, I send an amendment to the desk in the nature of a substitute.

AMENDMENT NO. 1023

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read the amendment as follows:

A bill (H.R. 2299) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read the amendment as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 1023.

(The text of the amendment is printed in today’s RECORD under “Amendments Submitted.”)
NOMINATION OF JOHN D. GRAHAM OF MASSACHUSETTS TO BE ADMINISTRATOR OF THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET—Continued

Dr. Graham from hundreds of esteemed authorities in the environmental policy, health policy, and related fields. William Reilly, former Administrator of EPA, said that "over the years, John Graham has impressed me with his vigor, his fair-mindedness, and integrity."

Dr. Lee L. Sullivan, former Secretary of the Department of Health and Human Services said that "Dr. Graham is superbly qualified to be the IORA administrator."

Former OIRA Administrators from both Democratic and Republican administrations have conveyed their confidence that John Graham is not an opponent of all regulation but, rather, he is deeply committed to seeing that regulation serves broad public purposes as effectively as possible.

Dr. Robert Leiken, a respected expert on regulatory policy at the Brookings Institution, stated that Dr. Graham is the most qualified person ever nominated for the job of OIRA Administrator.

About 100 scholars in environmental and health policy and related fields joined together to endorse John Graham's nomination stating:

While we don't always agree with John or, for that matter, with one another on every policy issue, we do respect his work and his intellectual integrity. It is very regrettable that some interest groups that disagree with John's views on the merits of particular issues have chosen to impugn his integrity by implying that his views are for sale rather than confronting the merits of his argument. Dialog about public policy should be conducted at a higher level.

Having dealt with this nomination for many months, I think that quote really hits the nail on the head. Some groups oppose Dr. Graham because they don't agree with his support for sound sciences and cost-benefit analysis. But they have chosen to engage in attacks against him instead of addressing the merits of his thinking.

It is especially unfortunate since this nominee has done so much to advance an important field of thought that can help us achieve greater environmental health and safety protection at less cost.

While some groups oppose the confirmation of Dr. Graham, I believe their concerns have been addressed and should not dissuade the Senate from confirming Dr. Graham. For example, Joan Claybrook, the President of Public Citizen, has charged that Dr. Graham's views are antiregulation. Yet Dr. Graham's approach calls for smarter regulation based on science, engineering, and economics, not necessarily less regulation. He has shown that we can achieve greater protections than we are currently achieving.

Opponents have charged that Dr. Graham is firmly opposed to most environmental regulations. In fact, Dr. Graham and his colleagues have produced scholarships that supported a wide range of environmental policies, including toxic pollution control at coal plants, phasing out of chemicals that deplete the ozone layer, and low-sulfur diesel fuel requirements. Dr. Graham also urged new environmental policies to address indoor pollution, outdoor particulate pollution, and tax credits for fuel-efficient vehicles.

Dr. Graham believes that environmental policy should be grounded in science, however, and examined for cost-effectiveness. Dr. Graham and his colleagues have also developed new tools for chemical risk assessment and environmental policies, such as the Safe Drinking Water Act amendments of 1996, a life-saving law that both Democrats and Republicans overwhelmingly supported, including many of us here today.

Critics have claimed that Professor Graham seeks to increase the role of economic analysis in regulatory decision-making and freeze out intangible and humanistic concerns. This is inaccurate. In both of his scholarly writings, and in congressional testimony, Professor Graham rejected purely numerical monetary approaches to cost-benefit analyses. He has insisted that intangible contributions, including fairness, privacy, freedom, equity, and ecological protection be given way in both regulatory analysis and decision-making.

Dr. Graham and the Harvard Center have shown that many regulatory policies are, in fact, cost-effective, such as AIDS prevention and treatments; vaccination against measles, mumps, and rubella; regulations on the sale of cigarettes to minors; enforcement of seatbelt laws; the mandate of lead-free gasoline; and the phasing out of ozone-depleting chemicals.

Critics also claimed that Professor Graham's views are extreme because he has indicated that public health sources are not always allocated wisely under existing laws and regulations. Yet this is not an extreme view. It reflects the thrust of the writings on risk regulation by Justice Stephen Breyer, for example—President Clinton's choice for the Supreme Court—as well as consensus statements from diverse groups such as the Carnegie Commission, the National Academy of Public Administration, and the Harvard Group on Risk Management Reform.

Professor Graham appeared at his confirmation hearing that he will enforce the laws of the land, as Congress has written them. He understands that there is significant difference between the professor's role of questioning all ways of thinking and the OIRA Administrator's role of implementing the laws and the President's policy. I believe Dr. Graham will
make the transition from academia to Government service smoothly, and that he will use his valuable experience to bring to the Senate a new perspective on the issues that confront OIRA every day.

A fair review of the deliberations of the Governmental Affairs Committee, and the entire record, lead me and many of my colleagues to conclude that Dr. John Graham has the qualifications and the character to serve the public with distinction.

A respected professor at the University of Chicago put it this way. He says:

John Graham cannot be pigeonholed as conservative or liberal on regulatory issues. He is unpredictable in the best sense. I would not be surprised at all if in some settings he turned out to be a vigorous voice for aggressive governmental regulation. In fact, that is exactly what I would expect. When he questions regulations, it is because he thinks we can use our resources in better ways. It is because he thinks that we can use our resources in ways that do not necessarily meet the eye. On this issue, he stands as one of the most thoughtful and most promising public servants in the Nation.

I urge prompt confirmation of John Graham.

I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). The Senator from Illinois is recognized.

Mr. DURBIN. Madam President, before beginning my remarks, I would like to have a clarification, if I can, as to the allocation of time in this debate.

The PRESIDING OFFICER. There is 1 hour under the control of Mr. LIEBERMAN, 3 hours under the control of Mr. THOMPSON, 2 hours under the control of Mr. DURBIN, 2 hours under the control of Mr. WELLSTONE, and 15 minutes under the control of Mr. KERRY.

Mr. DURBIN. I thank the Chair. Madam President, I rise to speak in opposition to the nomination of John Graham for the position of Administrator for the Office of Information and Regulatory Affairs at OMB.

This is a rare experience for me. I think it is the first time in my Senate career, in my congressional career, where I have spoken out against a nominee and attempted to lead the effort to stop his confirmation. I do this understanding that the deck is not stacked in my favor. Many Members of the Senate will give the President his person, whoever it happens to be, and that is a point of view which I respect but disagree with from time to time. I also understand from the Governmental Affairs Committee experience that the Republican side of the aisle—the President’s side of the aisle—has been unanimous in the support of John Graham, and that is understandable, both out of respect for the nominee and the President himself.

Having said that, though, the reason I come to the floor this evening and the reason I asked for time in debate is because I believe this is one of the most dangerous nominations that we are bringing to this body in this respect: Although the office which Mr. John Graham seeks is obscure by Washington standards, it is an extremely important office. Few people are aware of the Office of Information and Regulatory Affairs and just how powerful the office of regulatory czar can be. But this office, this senior White House staff position, exercises enormous authority over every major Federal regulation the Government has under consideration. Because of this, the OIRA Administrator must have a commitment to evenhandedness, objectivity, and fair play in analyzing and presenting information about regulatory options.

Do you often sit and wonder, when you hear pronouncements from the Bush White House, for example, on arsenic in drinking water and increasing the acceptable level of arsenic in drinking water, who in the world came up with that idea? There might be some business interests, some industrial and corporate interests, who have a specific view on the issue and have pushed it successfully in the administration. But somebody sitting in the Bush White House along the way said: That sounds like a perfectly sound idea. And so they went forward with that suggestion.

Of course, the public reaction to that was so negative that they have had time to reconsider the decision, but at some time and place in this Bush White House, someone in a position of authority said: Go forward with the idea of allowing more arsenic in drinking water in the United States.

I do not understand how anyone can reach that conclusion at all, certainly not without lengthy study and scientific information to back it up, but it happened. My fear is, John Graham, as the gatekeeper for rules and regulations concerning the environment and public health, will be in a position to give a thumbs up or a thumbs down to suggestions just like that from this day forward if he is confirmed.

I think it is reasonable for us to step back and say: If he has that much power already have seen evidence in this administration of some rather bizarre ideas when it comes to public health and the environment, we have a right to know what John Graham believes, what is John Graham’s qualification for this job, what is his record in this area? That is why I stand here this evening.

I want to share with my colleagues in the Senate and those who follow the debate the professional career of Mr. John Graham. I think gives clear evidence as to why he could not be confirmed for this position.

Let me preface my remarks. Nothing I will say this evening, nothing I have said, will question the personal integrity of John Graham. I have no reason to do that, nor will I. What I will raise is the question of his qualifications and the character to serve the public with distinction.

Some in the Governmental Affairs Committee said this was a personal attack on John Graham. Personal in this respect: I am taking his record as an individual, a professional, and bringing it to the Senate for its consideration. But I am not impugning his personal integrity or his honesty. I have no reason to do so.

I assumed from the beginning that he has done nothing in his background that will raise questions along those lines. But the record does not tell that story. He is seen by many as an individual, a professional, and bringing to the Senate as possessing the qualities of objectivity and evenhandedness we would expect in this position. He is seen by many as eminently qualified for the position.

The record makes several things absolutely clear: Dr. Graham opposes virtually all environmental regulations as long as they are well drafted and based on solid information. My colleague, the Senator from Tennessee, said as much in his opening statement.

A casual glance at Dr. Graham’s record may lead one to conclude this is an accurate portrayal. As they say, the devil is in the details. A careful reading of the record makes several things clear: Dr. Graham opposes virtually all environmental regulations. He believes that many environmental regulations do more harm than good. He also believes that many toxic chemicals—dangerous chemicals—may be good for you. I know you are wondering, if you are following this debate, how anyone can say that. Well, stay tuned.

John Graham favors endless study of environmental issues over taking actions and making decisions—a classic case of paralysis by analysis. Dr. Graham’s so-called objective research is actually heavily influenced by policy
consideration, and he has had a built-in bias that favors the interest of his industrial sponsors.

He has been connected with Harvard University, and that is where his analysis has been performed, at his center. He has had a list of professional clients over the years.

Madam President, I ask unanimous consent that this list of clients be printed in the RECORD.

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

**UNRESTRICTED GRANTS TO THE HARVARD CENTER FOR RISK ASSESSMENT**


(Source: Harvard Center for Risk Assessment.)

Mr. DURBIN. I thank the Chair. I will not go through all of the companies on this list. It reads like, as they say, a veritable list of who's who of industrial sponsors in America: Dow Chemical Company, all sorts of institutes, the Electric Power Research Institute, oil companies, motor companies, automobile manufacturers, chemical associations—the list goes on and on.

These corporate clients came to Professor Graham not to find ways to increase regulation on their businesses but just for the opposite, so that he can provide through his center a scientific basis for resisting Government regulation in the areas of public health and the environment.

I am an attorney by profession, and I understand that when there is balance in advocacy you have an objective presentation: Strong arguments on one side and strong arguments against, and then you try to reach the right conclusion. So I am not going to gainsay the work of Dr. Graham in representing his corporate clients over the years, but it is important for us to put this in perspective.

If Dr. Graham is appointed to this position, his clients will not be the corporations of America, his clients will be the 281 million Americans who count on him to make decisions in their best interest when it comes to environmental protection and protection of the health of their families.

When we look at his professional background, it raises a question about his objectivity. He has had little respect for the environmental concerns of most Americans—concerns about toxic chemicals in drinking water, pesticides in our food, or even the burial of radioactive waste. To John Graham, they are not major concerns. In fact, as you will hear from some of his statements that I will quote, he believes they reflect a paranoia in American culture.

Dr. Graham's supporters have taken issue with my categorizing his views as antiregulatory. They say, and it has been said on the floor this evening, John Graham supports environmental regulations: just look at the statements he has made about removing lead from gasoline. That was said this evening: John Graham supports removing lead from gasoline. I certainly hope so. And my colleagues know, it is true. John Graham has stated clearly and unequivocally that he thought removing lead from gasoline was a good idea. Do my colleagues know when that decision was made? Decades before John Graham was in any position to have impact on the decision. It is a decision in which he had no involvement in any way whatsoever.

What has he done for the environment lately? What does he think of the recent crop of environmental regulations? On this matter, his opinions are very clear. According to John Graham, environmental regulations waste billions, if not trillions, of taxpayers' dollars. According to John Graham, our choice of environmental priorities actually leads people to a process. Mr. Graham calls "statistical murder," something that pops up in his work all the time.

According to John Graham, we should massively ship resources away from environmental problems such as toxic chemicals to more important activities that he has identified, such as painting white lines on highways and encouraging people to stop smoking.

This is a recent quote from Dr. Graham:

The most cost-effective way to save lives generally is to increase medical treatment, and somewhat second, to curb fatal injuries. Trying to save lives by regulating pesticides or other toxins generally used up a lot of resources.

I can recall during the time we were debating the potential of a nuclear holocaust, there was a man named Richard Perle in the Reagan administration who said he didn't think we should be that frightened because if we did face a nuclear attack, in his words, "with enough shovels," we could protect ourselves.

When I read these words of Dr. Graham who says, "The most cost-effective way to save lives generally is to increase medical treatment, and somewhat second, to curb fatal injuries,"
Mr. DURBIN: Does your lack of background in any of these fields that I have mentioned give you any hesitation to make statements relative to the danger of chemicals to the human body?

Mr. GRAHAM: I think I have tried to participate in collaborative arrangements where I have the benefit of people who have expertise in some of the fields that you have mentioned.

Mr. DURBIN: Going back to the old television commercial, "I may not be a doctor but I know a lot more than you." Would you want to assume the role of a doctor and public health expert when it comes to deciding the safety or danger over the exposure to certain chemicals, would you?

Mr. GRAHAM: Well, I think our center and I personally have done significant research in the area of risk assessment of chemicals and oftentimes my role is to provide analytical support to a team and then other people on the team provide expertise, whether it be toxicology, medicine, or whatever.

The reason I raise this is there is no requirement that who takes on this job be a scientist, a medical doctor, a chemist, a person with a degree in biology or toxicology. That is not a requirement of the job. And very few, if any, of his predecessors held that kind of expertise.

But when you consider carefully what Mr. Graham has said publicly in the field of science, you might conclude that he has much training and a great degree in the field.

That is not the case. He has held himself out time and again, and I will not go through the specifics here, and made dogmatic statements about science that cannot be supported. And he wants to be the gatekeeper on the rules and regulations of public health and the environment in America.

Mr. GRAHAM is, as I said earlier, trying to create a scientific revolution but he acknowledges it is an uphill battle. Why do so few mainstream scientists buy into this? That is not an exact science, says Mr. Graham, science itself has a built-in bias against recognizing the beneficial effects of low-dose exposures to otherwise dangerous chemicals such as dioxin.

Scientific journals don't like to publish new paradigm results. In his written works, Mr. Graham goes so far to say the current classification scheme used by the EPA and others to identify cancer-causing chemicals should be abolished and replaced with a scheme that recognizes that all chemicals may not only not cause cancer but may actually prevent cancer, as well.

Perhaps he opposes environmental regulations because he is so convinced that regulations generally do more harm than good. Some of this harkens back, of course, to his new paradigm, his scientific revolution. If we restrict toxic chemicals that are actually preventing, rather than causing, cancer, the results than when we are helping the population at large, according to Dr. Graham. Think about that. He is arguing that some of the things we are trying to protect people from we should actually encourage people to expose themselves to.

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things we can do to save lives, but at such great expense, society could never bear that burden. The problem you have left is drawing the line and trying to quantify it, in saying what a life is worth and over what period of time.

Dr. Graham gets into this business and starts discounting human lives in exactly the same way economists and business advisers discount money. A life saved or a dollar earned today, according to Dr. Graham, is much more valuable than a life saved or a dollar earned in the future. Dr. Graham’s so-called scientific results led him to conclude that when the Environmental Protection Agency says a human life is worth $4.8 million, by their calculations, they are 10 times too high. That is Dr. Graham’s analysis.

Now we will turn to the Senate Chamber today can honestly say they agree with Dr. Graham’s discounting the value of a human life to 10 percent of the amount we have used to calculate many environmental regulations? That is a starting point. If you are representing industrial clients who do not want to be regulated, who suggest environmental regulations and public health regulations are, frankly, outlandish, you start by saying lives to be saved are not worth that much.

Discounting may make sense when it comes to money, but it trivializes the value of human lives and the lives of our next generation and creates an automatic bias against environmental regulations meant to provide protections over a long period of time.

I will be the first to admit there are inefficiencies in our current environmental regulations, but Professor Graham’s research hasn’t found them. Instead, he continually devalues and portrays himself as a doctor, a toxicologist, a biologist, and a chemist, he can also be a sociologist and general philosopher. The man has ample talents, but I am not sure those talents will work for him.

In his mind, it is a sign of collective paranoia, a sign of pervasive weakness and self-delusion that pervades our culture.

If you think I have overstated it, I think his own words express his sentiments more accurately. I would like to refer to this poster, quotes from Dr. Graham.

Interview on CNN, 1993: We do hold as a society, I think, a noble myth that life is priceless, but we should not confuse that with reality.

Dr. Graham said that. Then: Making sense of risk: An agenda for Congress in 1996.

John Graham said: The public’s general reaction to health, safety, and environmental regulations and the way we regulate, or worse, when we ban pesticides, we often wind up doing more harm than good.

Let me tell you a case in point. I think it is an interesting one. It was a book which Mr. Graham wrote called “Risk versus Risk.” This is a copy of his cover. It was edited by John Graham and Jonathan B. Weiner.

I might also add the foreword was written by Case Sunstein, who is a professor at the University of Chicago School of Law and has one of the letters of support which has already been quoted on the floor. He was a colleague of Mr. Graham, at least in writing the foreword to this book. This goes into the whole question of pesticides and danger. The thing I find curious is this. On page 174 of this book, Mr. Graham, who is asked to be in charge of the rules and regulations relative to pesticides, started raising questions about which of our elected officials have a profound understanding of threats that are real.

Then he goes on to say, in Issues in Science and Technology, in 1997: It may be necessary to address the dysfunctional aspects of U.S. culture... The lack of a common liberal arts education... breeds ignorance of civic responsibility.

So John Graham can not only portray himself as a doctor, a toxicologist, a biologist, and a chemist; he can also be a sociologist and general philosopher. The man has ample talents, but I am not sure those talents will work for America when it comes to this important job.

I would like to take a look at two issues in detail to give a clearer picture of Dr. Graham’s approach to environmental issues of great concern to the American people. I want to examine his reaction to organophosphate pesticides and dioxin. It is not unreasonable to believe if his nomination is confirmed that John Graham will consider rules and regulations relating to these two specific items, pesticides and dioxin.

The Food Quality Protection Act of 1996 passed Congress unanimously—and not just any session of Congress, the 104th Congress, one of the most contentious in modern history, a Congress that could hardly agree on anything. Yet we agreed unanimously to pass this important new food safety law. A key purpose of the law was to provide the public with better protection against pesticides. In particular, the law aimed to provide increased protections to our most vulnerable segment of the population, our children. President Clinton commented that the Food Quality Protection Act would replace a patchwork of standards with one simple standard: If a pesticide poses a danger to our children, then it won’t be in our food.

This groundbreaking legislation received the unanimous support of Congress. What does John Graham, Dr. John Graham, think about the importance of protecting our children from pesticide residues on food? Let me tell you what he said in his work.

The Food Quality Protection Act suffers from the same failings that mark most of our other environmental laws and regulations. Our attempts at regulating pesticides and food are a terrible waste of society’s resources. We accept risks from other technologies like the automobile, why should we not accept risks from pesticides? When we regulate, or worse, when we ban pesticides, we often wind up doing more harm than good.

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Mr. Graham has been nominated to a sensitive position: Administrator of the Office of Information and Regulatory Affairs (OIRA). In this role Mr. Graham would be in a position to delay, block or alter rules proposed by key federal agencies. Which agencies?

Let me give you some examples. One would be OSHA. This happens to be an agency with a mandate that is near and dear to my heart. Over the years, I have had the opportunity to do a lot of community organizing, and I have worked with a lot of people who unfortunately have been viewed as expendable. They do not have a lot of clout—political, economic, or any other kind. They work under some pretty uncivilized working conditions.

The whole idea behind OSHA was that we were going to provide some protection. I still see it on the door going to be saying to companies—in fact, we did the same thing with environmental protection—is, yes, maximize your profits in our private sector system. Yes, organize production the way you choose to do. You are free to do it any way you want to, and maximize your profit any way you want to up to the point that you are killing workers, up to the point that it is loss of limbs, loss of lives, harsh genetic substances, and people dying early of cancer. Then you can't do it. Thank God, from the point of view of ordinary people, the Government steps in, I would like to say, on our side.

We had a perfect example of that this year in the subcommittee that I chair on employment, safety, and training. I asked Secretary Chao to come. She didn't come. I wanted to ask her about the rule on repetitive stress injury, the most serious problem right now in the workplace. It was overturned. The Secretary was serious about promulgating a rule that would provide protection for the 1.8 million people, or thereabouts, who are affected by this. I wanted to know what, in fact, this administration is going to do.

So far it is really an obstacle.

As Administrator of OIRA, Mr. Graham can frustrate any attempt by OSHA to address 1.8 million repetitive stress injuries workers suffer each year, as reported by employers. I will just say it on the floor of the Senate. I think it is absolutely outrageous that rule was overturned. I see no evidence whatsoever that this administration is serious about promulgating any kind of rule that would provide workers with real protection.

The Mine Safety and Health Administration, MSHA. The Louisville Courier Journal conducted a comprehensive investigation of illnesses suffered by coal miners due to exposure to coal mine dust, and I am opposed to that. They are not protected by MSHA regulation. We urgently need vigorous action by MSHA.

As a matter of fact, I couldn't believe it when I was down in east Kentucky in Harlan and Letcher Counties. I met with coal miners. That is where my wife, Shelia, is from. Her family is from there. I hate to admit to colleagues or the Chair that I actually believed that black lung disease was a thing of the past. I knew all about it. I was shocked to find out that in east Kentucky many of the miners working in the mines can't see 6 inches in front of them because of the dust problem.

Senator Durbin's predecessor, Senator Simon, worked on mine safety. It was one of his big priorities.

Part of the problem is the companies actually are the ones that monitor coal dust. MSHA has been trying to put through a rule—we were almost successful in getting it through the last Congress—to provide these miners with some protection.

From the point of view of the miners, they don't view themselves as expendable.

The Food and Drug Administration regulates the safety of prescription drugs for children, for the elderly, for all of us. The Environmental Protection Agency (EPA) regulates pollution of the water and air. For example, EPA will determine what level of arsenic is acceptable in American drinking water. The Food Safety and Inspection Service (FSIS) is charged with the task of protecting us to the extent possible from salmonella, foot and mouth disease, E. coli, and other food-borne illnesses.

These and other important Federal regulatory agencies exist to protect Americans and to uphold standards that have been fought for and achieved over decades of struggle.

It is not true that people in Minnesota and people in the country are opposed to Government regulations on their behalf and on behalf of their children, that the water is not poisoned, so that the mines work in a safe, so that the workplace they work in is safe, so that there are civilized working conditions, so that they don't have too much arsenic in the water their children drink, and so that the food their children eat is safe. Don't tell me people in Minnesota and in the country aren't interested in strong regulation on behalf of their safety and their children's safety.

The Administrator of OIRA must be someone who stands with the American public, someone who sees it as his or her mission to protect the public interest. In my view, John Graham's evident hostility to regulation that protects the public interest, in particular his over-reliance on tools of economic analysis that denigrate the value of regulatory protections, is disqualifying.

This is particularly troublesome when it comes to workplace safety, for example, because his approach flies in the face of statutory language requiring OSHA—again I am fortunate to
Chair the subcommittee with jurisdiction over OSHA—to examine the economic feasibility of its regulations, as opposed to the usual cost-benefit analyses upon which he over-relied.

As the Supreme Court noted in the so-called Cotton Dust Case, embedded in the statutory framework for OSHA is Congress’ assumption “that the financial costs of health and safety problems in the workplace were as large as or larger than the financial costs of eliminating these problems.” Instead of cost/benefit analyses to guide standard setting, OSHA is statutorily bound to promulgate standards “which most adequately assure, to the extent feasible, on the basis of the best available evidence, that no employee will suffer material impairment of health or functional capacity even if such employee has regular exposure to the hazardous dealt with by such standard for the period of his working life.”

In its 30 years of existence the Occupational Safety and Health Administration has made its presence felt in the lives of tens of millions of Americans at all levels of the workforce. OSHA and its related agencies are literally the last, best hope for millions of American workers whose lives would otherwise be put on the line, simply because they need to earn a paycheck. Experience has shown, over and over, that the absence of strong government-mandated safeguards results in workplace exposure to everything from odorless carcinogens to musculo-skeletal stress to combustible grain dust to other dangers too numerous to mention.

Since its founding, hundreds of thousands of American workers did not die on the job, thanks to OSHA. Workplace fatalities have declined 50 percent between 1977 and December 2000, while occupational injury and illness rates have dropped 40 percent.

Not surprisingly, declines in workplace fatalities and injuries have been most dramatic in precisely those industries where OSHA has targeted its activities. For example, since OSHA came into existence, the manufacturing fatality rate has declined by 60 percent and the injury rate by 33 percent. At the same time, the construction fatality rate has declined 80 percent and the injury rate by 52 percent.

It is not a coincidence that these two industries have received some of OSHA’s closest attention. OSHA’s role in assuring so far as possible that every worker is protected from on-the-job hazards cannot be denied.

Unfortunately, however, compared to the demand, there is still a whole lot of work to be done. Indoor air quality, hexavalent chromium, beryllium, permissible exposure limits for hundreds of chemicals in the workplace—this list goes on and on—not to mention repetitive stress injuries. The unfinished agenda is huge. It is precisely this unfinished agenda that should give us pause in confirming, as head of OIRA, a man whose entire professional history seems aimed at frustrating efforts to regulate in the public interest. That is my disagreement. It is a different framework that he represents than the framework that I think is so in the public interest.

Let me just give one example: the chromium story.

Chromium is a metal that is used in the production of metal alloys, such as stainless steel, chrome plating and pigments. It is also used in various chemical processes and it is a component of cement used to manufacture refractory bricks.

The first case of cancer caused by chromium was reported in 1980. Since then, the evidence that it causes cancer continued to grow. Chromium has been declared a carcinogen by the EPA, the National Toxicology Program, and the International Agency for Research on Cancer.

In the early 1980s, it was estimated that 200,000 to 390,000 workers were exposed to hexavalent chromium in the workplace—200,000 to 390,000. Lung cancer rates among factory workers exposed to hexavalent chromium are almost double the expected cancer rate for unexposed workers. Lung cancer rates for factory workers exposed to hexavalent chromium are also double the expected cancer rate for unexposed workers.

OSHA has long known the risks associated with exposure to this dangerous carcinogen since its inception but has failed to act. OSHA’s assessment, conducted by K.S. Crump Division of ICO Kaiser, was that between 9 percent and 34 percent of workers exposed at half the permissible exposure limit for a working lifetime would contract lung cancer as a result of this exposure.

On April 24, 2000, OSHA published its semiannual agenda, which anticipated a notice of proposed rulemaking would be published in June 2001. If confirmed as Administrator of OIRA within the Office of Management and Budget, however, John Graham’s actions could affect OSHA’s stated willingness to undertake a proposed rule this year, as the agency has finally promised and as is urgently needed.

I will finish by just giving a few examples of how Mr. Graham could negatively impact the process.

No. 1, reduce OSHA’s ability to collect information in support of a new standard.

To develop a new hexavalent chromium standard, OSHA would likely need to survey scores of businesses for information about their use of the chemical and about workplace exposures. During the committee hearing on his nomination, Graham said that he supports requiring the federal agencies to do cost/benefit analyses of information requests sent to industry in preparation for a rulemaking. Under the Paperwork Reduction Act, before such a notification requirement can be tangle up the agency in justifying any information requests needed to support a new rule on chromium.

No. 2, insist upon a new risk assessment, despite compelling evidence that chromium poses a cancer risk.

OSHA has conducted its own risk assessment of chromium and reviewed numerous studies documenting that workers working with or around the chemical face considerable increased risk of cancer. But it is likely that Graham could exercise his power at OMB to require a new risk assessment of hexavalent chromium, which could further delay the issuance of a rule.

Graham has supported requiring every risk-related inquiry by the federal government to be vetted by a panel of peer review scientists prior to its public release, which would be costly and create significant delays in the development of new regulations. He has argued that the risk assessments done by the federal agencies are flawed, and that OMB or the White House should develop its own risk assessment oversight process. This would allow economists to review and possibly invalidate the findings of scientists and public health experts in the agencies.

No. 3, flunk any rule that fails a stringent cost-benefit test.

Graham is a supporter, for example, of strict cost-efficiency measures even in matters of public health. Because he views regulatory choices as best driven by cost-based decisionmaking, the worthiness of a rule is determined at least partly by the cost to industry of fixing the problem. This is the opposite of an approach that recognizes that workers have a right to a safe workplace environment.

The OSHA mission statement is “to send every worker home whole and healthy every day.” Under Graham, as it now stands, OSHA is prohibited from using cost-benefit analysis to establish new health standards. Instead, OSHA must set health standards for significant risks to workers at the maximum level that the regulated industry, as a whole, can feasibly achieve and afford. This policy, set into law by the OSHA Act, recognizes the rights of workers to safe and healthful workplaces, and provides far more protection to workers than can be provided by any standards generated under cost-benefit analysis.

Putting John Graham in the regulatory gatekeeper post would create a
grave risk that OSHA protections, such as the hexavalent chromium standard, will not be set at the most protective level that regulated industry can feasibly achieve. We know from his own statements that John Graham will require OSHA to produce economic analyses that will use antiregulation assumptions, and will show protective regulations to fail the cost-benefit test.

It is true that OSHA is technically authorized to issue standards that fail the cost-benefit test. However, it would be politically nearly impossible for an agency to issue a standard that has been shown, using dubious methodologies, to have net costs for society.

Unfortunately, although I would like nothing better than to be proven wrong, I fear this is not a farfetched scenario. And let there be no question—such steps would absolutely undermine Congress’ intent when it passed the Occupational Health and Safety Act 30 years ago.

Let us begin with the Supreme Court’s Cotton Dust decision:

Not only does the legislative history confirm that Congress meant “feasible” rather than “cost-benefit” when it used the former term, but it also shows that Congress understood that the Act would create substantial costs for employers, yet intended to impose such costs when necessary to create a safe and healthful working environment. Congress viewed the costs of health and safety as a cost of doing business. Senator Yarborough, a co-sponsor of the [OSH Act], stated: “We know the costs would be put into consumer goods but that is the price we should pay for the 80 million workers in America.”

There is one final point I want to make. I will tell you what really troubles me the most about this nomination. And let me just kind of step back and look at the bigger picture, which really worries me.

The essence of our Government—small “d” democracy—is to create a framework for the protection of the larger public as a whole. I believe in that. And I believe a majority of the people believe in that. It is the majority’s commitment to protect the interests of those who cannot protect themselves that sets this great Nation apart from others. That is the essence of our democratic way of life. That is the core of this country’s incredible heritage.

But there are a series of things happening here in the Nation’s Capitol—stacked one on top of another—that fundamentally undermine the capacity of our Government to serve this purpose of being there for the public interest. I think we have a concerted effort on the part of this administration—and I have to say it on the floor of the Senate—and its allies to undermine the Government’s ability to serve the public interest.

First, there was a stream of actual or proposed rollbacks of regulations designed to protect the health and well-being of the people of this country—ar- sensic in drinking water, global warming emissions, ergonomics—or repetitive stress injuries in the workplace, and many others. It is not the cost of our Government to serve this purpose of being there for the public interest.

Then there was the tax cut, making it absolutely impossible for us to protect Social Security and Medicare, or to do what we should do for children or for the elderly, for the poor or for the vulnerable, for an adequate education or for affordable prescription drugs—no way—in other words, to fund Government, to do what Government is supposed to do, which is to protect the interests of those who cannot protect themselves.

And then, finally, the administration seeks to place in key gatekeeper positions individuals whose entire professional careers have been in opposition to the missions of the agencies they are now being nominated to advance.

I am troubled by this. I think people in the country would be troubled by this if they really understood John Graham’s background and the power of his position and his capacity not to do well for the public interest. This is unacceptable. This is a concerted, comprehensive effort to undermine our Government’s ability to protect and represent the interests of those who don’t have all the power, who don’t have all the capital.

The goal is clear: Roll back the regulations that they can. That is what this administration is about: Defund government programs and place in pivotal government programs and place in pivotal positions those with the will and the determination to block new regulations from going forward—new regulations that will protect people in the workplace, new regulations that will protect our environment, new regulations that will protect our children from arsenic in the drinking water, new regulations that will protect the lakes and the rivers and the streams, new regulations that will make sure the food is safe for our children. This is not acceptable. We should say no. That is why I urge my colleagues to join me in defeating this nomination.

I include as part of my statement a letter in opposition from former Secretary of Labor Reich and other former agency heads.

I ask unanimous consent that the letter be printed in the RECORD.

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

May 17, 2001

Re John D. Graham nomination.

Hon. Fred Thompson,
Chairman, Senate Governmental Affairs Committee,
Washington, DC.

Hon. Joseph I. Lieberman,
Ranking Democrat, Senate Governmental Affairs Committee,
Washington, DC.

Dear Senator Thompson,

We write as former federal regulators in response to the nomination of John D. Graham, Ph.D., to direct the Office of Information and Regulatory Affairs at the Office of Management and Budget (OMB). As OIRA Administrator, Mr. Graham would oversee the development of all federal regulations and he would help shape federal regulatory policy. His decision will have profound effects on the health, welfare, and environmental quality of all Americans. We are concerned by many of Dr. Graham’s expressed views and past actions as Director of the Harvard Center for Risk Analysis, and encourage the committee to conduct a thorough investigation into Dr. Graham’s suitability for the office.

Since the early 1980s, both Republican and Democratic Presidents have issued Executive Orders granting the OIRA Administrator exceptionally broad authority to approve, disapprove, and review all significant executive agency regulations. In addition, under the Paperwork Reduction Act, the OIRA Administrator has the responsibility to approve and disapprove agency information collection requests, which agencies need to evaluate emerging public health and environmental threats. The OIRA Administrator generally plays an important role in determining how important statutes are implemented and enforced.

The written work and testimony before Congress, Dr. Graham has repeatedly argued for an increased reliance on cost-benefit and cost-effectiveness analysis in the regulatory process. We agree that cost-benefit analysis generally plays an important role in policy making. But increasing the role that economic analysis plays in rulemaking threatens to crowd out common good or perhaps greater importance that are harder to quantify and to put in terms of dollars—for example, what is the dollar value of making public spaces accessible so a paraplegic can participate fully in community activities?

How should we quantify the worth of protecting private medical information from commercial disclosure? Why is the value of preventing a child from developing a future cancer worth only a small fraction of the value of preventing her from dying in an auto accident? How do we quantify the real value of a healthy ecosystem?

In addition, we are concerned that Dr. Graham may have strong views that would affect his impartiality in reviewing regulations under a number of statutes. He has claimed that many health and safety statutes are irrational because they do not allow the agencies to choose the regulatory option that maximizes economic efficiency where doing so would diminish public protections.

He has repeatedly argued, in his written work and testimony before Congress, that requirements to take the results of cost-benefit and cost-effectiveness analyses into account could supercede congressional mandates that do not permit their use, such as some provisions of the Clean Air Act. (John D. Graham, “Legislative Approaches to Achieving More Protection Against Risk at Less Cost,” 1997 Univ. of Chi. Legal Forum 13, 49.) It is important to assure that he can in good conscience carry out the will of Congress even where he has strong personal disagreements with the law.

We are also concerned about Dr. Graham’s independence from the regulated community. At the Harvard Center for Risk Analysis, Dr. Graham’s teaching has been from unrestricted contributions and endowments of more than 100 industry companies and trade groups, many of which have staunchly opposed the regulatory and enforcement of health, safety and environmental safeguards. At HCRA, Dr. Graham’s
research and public positions against regulation have closely aligned HCRAs corporate contributors. In coming years these same regulated industries will be the subject of federal regulatory initiatives that will only review studies by Graham and OIRA. It is thus fair to question whether Dr. Graham would be even-handed in carrying out his duties, including helping enforce laws he has previously criticized. Might favor corporations or industry groups who were more generous to his Center? Will he have arrangements to return to Harvard? Is there an expectation of further endowments from regulated industries? There is the potential for so many real or perceived conflicts of interest, that this could impair his ability to do the job.

We urge the Government Affairs Committee to conduct a thorough inquiry into each of these areas of concern. We believe that the health, safety and quality of life of millions of Americans deserves such an appropriate response. Thank you for your consideration.

Sincerely,
Robert B. Reich, Former Secretary of Labor; Ray Marshall, Former Secretary; Edward Montgomery, Former Deputy Secretary of Labor; Charles N. Jeffress, Former Assistant Secretary of Labor for Occupational Safety & Health; Eula Bingham, Former Assistant Secretary of Labor for Occupational Safety & Health; Davitt McAteer, Former Assistant Secretary for Labor for Mine Safety and Health.

Lynn Goldman, Former Assistant Administrator for Office of Prevention, Pesticides and Toxic Substances, Environmental Protection Agency; J. Charles Fox, Former Assistant Administrator for Water, Environmental Protection Agency; David Hawkins, Former Administrator, for Air Noise and Radiation, Environmental Protection Agency; Joan Claybrook, Former National Highway Traffic Safety Administration; Anthony Robbins, Former Director, National Institute for Occupational Safety and Health.

Mr. WELLSTONE. There are any number of former Federal regulators who have signed on, along with former Secretary Reich. One paragraph:

In his written work and testimony before Congress, Dr. Graham has repeatedly argued for an increased reliance on cost-benefit and cost effectiveness analysis in the regulatory process. We agree that economic analysis plays an important role in policy making. But increasing the role that economic analysis plays in rulemaking threatens to crowd out considerations of equal or perhaps greater importance that are harder to quantify and to communicate in dollar terms—such as what is the dollar value of making public spaces accessible so a paraplegic participate fully in community life? How should we quantify the cost of protecting private medical information from commercial disclosure? Why is the value of preventing a child from growing up exposed to carcinogenic substances, or from injuring himself when he shouldn’t have, but they were working with these carcinogenic substances? What about the cost to children who are still exposed to lead paint who can’t learn, can’t do as well in school? What about the cost to all of God’s children when we don’t leave this Earth better than the way we found it? We are all but strangers and guests in this land. What about the cost of values when we are not willing to protect the environment, we are not willing to do our part to fulfill God’s children’s interest when we don’t leave this Earth better than the way we found it?

We are all but strangers and guests in this land. What about the cost of values when we are not willing to protect the environment, we are not willing to do our part to fulfill God’s children’s interest when we don’t leave this Earth better than the way we found it?

Mr. THOMPSON. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank my friend and colleague Senator Thompson for yielding to me. I will be brief.

I have heard our colleagues. I heard part of Senator Wellstone’s statement. He said he thought Dr. Graham would be extreme, out of the mainstream, as far as regulating a lot of our industries. I totally disagree.

I am looking at some of the people who are stating their strong support for Dr. John Graham. I will just mention a couple, and I will include for the RECORD a couple of their statements.

One is former EPA Administrator William Reilly. No one would ever call him extreme. He said that John Graham has “impressed me with his rigor, fairmindedness and integrity.”

Dr. Lewis Sullivan, former Secretary of Health and Human Services, said “Dr. Graham is superbly qualified to be the OIRA administrator.”

Former administrators from both Democrat and Republican administrations conveyed their confidence that John Graham “is not an ‘opponent’ of all regulation but rather is deeply committed to seeing that regulation moves broad public purposes as effectively as possible.”

I looked at this letter. It is signed by Jim Miller and Chris DeMuth, Wendy

Dr. Graham, all Republicans, but also by Sally Katzen, who a lot us got to know quite well during a couple of regulatory battles, and John Spotila, both of whom were administrators during President Clinton’s reign as President. They served in that capacity. They said he is superbly qualified.

Dr. Robert Leiken, a respected expert on regulatory affairs at the Brookings Institution said that Dr. Graham is “the most qualified person ever nominated for the job.” That is a lot when you consider people such as Chris DeMuth and Wendy Gramm, Sally Katzen and others, all very well respected, both Democrats and Republicans. If you had statements by people who have served in the job, both Democrats and Republicans, when you have people who have been former heads of EPA—incidentally, when we passed the clean air bill, I might mention, Administrators, when they are strongly in support of him, they say he is maybe the most qualified person ever, that speaks very highly of Dr. Graham.

If I believed all of the statements or thought that the statements were accurate that claim he would be bad for the environment, and so on, I would vote with my colleagues from Illinois and Minnesota. I don’t happen to agree with that. It just so happens that several former administrators don’t agree with it either.

Dr. Graham is supported by many people who are well respected. He is more than qualified. I believe he will do an outstanding job as OIRA Administrator.

I urge our colleagues, both Democrats and Republicans, to give him an overwhelming vote of support.

I thank my colleagues, Senator Thompson and Senator Levin, for allowing me to speak.

I ask unanimous consent to print in the RECORD the letters I referenced.

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

H. FRED THOMPSON, Chairman, Senate Dirksen Office Building, Washington, DC.

Hon. Joesph I. Lieberman, Ranking Minority Member, Committee on Government Affairs.


DEAR SENATORS THOMPSON AND LIEBERMAN:

I am writing to support the nomination of John Graham to head OMB’s Office of Information and Regulatory Affairs.

Throughout a distinguished academic career, John has been a consistent champion for a risk-based approach to health, safety and environmental policy. He is smart, he has depth, and he is rigorous in his thinking. I think that he would bring these qualities to the OIRA position and help assure that the rules implementing our nation’s health and environmental laws are as effective and as efficient as they can be in achieving their objectives.

There is a difference between Graham’s work at Harvard’s Center on Risk Analysis
and the responsibilities which he would exercise and the work he would undertake.

The Senate, for its part, has a constitutional obligation to ensure that its prerogatives and powers are not eroded by regulatory overreach. As the Senate considers Graham's nomination, it must ensure that OIRA's role in the regulatory process is one of fostering rational, evidence-based decision-making, rather than one of hindering or obstructing regulatory action. The Senate must ensure that OIRA's role is consistent with the constitutional principles of federalism, the separation of powers, and the protection of individual rights.

In conclusion, the Senate has a responsibility to ensure that OIRA's role in the regulatory process is one of fostering rational, evidence-based decision-making, rather than one of hindering or obstructing regulatory action. The Senate must ensure that OIRA's role is consistent with the constitutional principles of federalism, the separation of powers, and the protection of individual rights.

The Senate must also ensure that OIRA's role is consistent with the principle of regulatory reform and the need to promote economic growth and competitiveness. As the Senate considers Graham's nomination, it must ensure that OIRA's role is one of fostering rational, evidence-based decision-making, rather than one of hindering or obstructing regulatory action. The Senate must ensure that OIRA's role is consistent with the constitutional principles of federalism, the separation of powers, and the protection of individual rights.

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cannot say what the value of a life is. We don't know the value of a life. We don't know the value of a beautiful, un
restricted view of a public beach. We don't know the value, in dollars, of a child who is disabled being able to get to a higher floor because of the Americans with Disabilities Act. We cannot put a dollar value on those benefits. And we shouldn't. But we should weigh the benefit of that and ask ourselves whether or not, with the same resources, we can get more kids a better education, or more kids to a higher floor in a building—not to quantify in dollars those benefits, but to know what those benefits are.

If we spend a billion dollars to save a life, if that is my loved one’s life, it is worth it. But if we can spend that same billion dollars and save a thousand lives, 100,000 lives, then I do want to know that before we spend a billion dollars? Is that not worth knowing? Are we afraid of knowing those facts? Not me. I am not afraid of knowing those facts. I think we want to know those facts.

We should want to know the costs and benefits of what we propose to do. The people who should want to know them the most are the people who believe in regulation as making a difference, because if the same amount of resources can make a greater difference, people who believe in regulation should be the first ones to say let’s do more with the same resources, let’s waste resources.

We know that effective regulatory programs provide important benefits to the public. We also know from recent studies that some of our regulations cost more than the benefits they provide, and that cost-benefit analysis when done effectively can result in rules that achieve greater benefits at lower cost.

OMB stated in their analysis of costs and benefits of federal regulations in 1997, “The only way we know to distinguish between the regulations that do good and those that cause harm is through careful assessment and evaluation of their benefits and costs.” In a well-respected analysis of 12 major EPA rules and the impact of cost-benefit analysis on those rules, the author, Richard Morgenstern, former Associate Administrator of EPA and a visiting scholar at Resources for the Future, concluded that in each of the 12 rule makings, economic analysis helped reduce the costs of all the rules and at the same time helped increase the benefits of 5 of the rules. Report after report acknowledges the importance of good cost-benefit analysis and risk assessment for all agencies.

Yet some of the groups that support regulation view a put public health and safety appear to be threatened by cost-benefit analysis and risk assessment. They seem to fear it will be used as an excuse to ease up on otherwise tough standards. But I think to fear-cost-benefit analysis and risk assessment is to fear facts, and when it comes to tangible or public health and worker safety, we shouldn’t be afraid of the facts. We shouldn’t be afraid to know whether the approach an agency may want to take to solving an environmental or public health problem is not as effective as another approach and one that may even be less expensive.

Justice Stephen Breyer wrote about the value of cost-benefit analysis in his book called “Breaking the Vicious Circle.” He describes one example of the need for cost-benefit analysis in what he calls “the problem of the last 10 percent.” It was written by Justice Breyer when he served on the First Circuit Court of Appeals.

He talks about a case “... arising out of a ten-year effort to force cleanup of a toxic waste dump in southern New Hampshire. The site was mostly cleaned up. All but one of the private parties had settled. The remaining private party litigated the cost of cleaning up the last little bit, a cost of about $9.3 million to remove a small amount of highly dilute PCBs ‘volatile organic compounds’... by incinerating the dirt. How much extra safety did this $9.3 million buy? The 40,000-page record of this ten-year effort indicated (and all the parties seemed to agree) that, without the extra expenditure, the waste dump was clean enough for children playing on the site to eat small amounts of dirt daily for 70 days each year without significant harm. Burning the soil would have made it clean enough for the children to eat small amounts daily for 240 days per year without significant harm. But there were no dirt-eating children playing in the area, for it was a swamp. Nor were dirt-eating children present in the future building seemed unlikely. The parties also agreed that at least half of the volatile organic chemicals would likely evaporate by the year 2000. To protect nonexistent dirt-eating children is what I mean by the problem of “the last 10 percent.”

That was Justice Breyer speaking. As I have indicated, I have tried for the last 20 years just to get consideration of costs and benefits into the regulatory process. I have worked with Senator Thompson most recently, and I worked with Senators Glenn and Roth and Grassley in previous Congresses. But we have tried, we have been defeated. I believe, by inaccurate characterizations of the consequences of the use of cost-benefit analysis and risk assessment.

That is what is happening, I believe, with Dr. Graham’s nomination. Dr. Graham’s nomination presents us with the question of the value of cost-benefit analysis and risk assessment in agency rule making once again. That’s because Dr. Graham’s career has been full of disputes over his science, and of debate as to whether his science has been skewed by his corporate sponsorships. When various groups have questioned his independence, they have suggested that his science has been skewed by corporate sponsorships. Frank Cross, Professor of Business and Law at the University of Michigan, has demonstrated a conflict of interest policy in line with Harvard University School of Public Health’s conflict of interest policy, requiring peer review of research...
products disseminated publicly by the Center and a complete disclosure of all sponsors. The policy requires that any restrictions on disclosure be stated in the draft guidelines and that they not be binding on any individual investigator. Dr. Graham also pointed out that he had never altered a study at the request of a sponsor, and never altered a study at the request of a sponsor. Moreover, there are numerous studies where the conclusions Dr. Graham or the Center reached were contrary to the interests of the Center’s sponsors. The other line of attack against Dr. Graham is taking Dr. Graham’s statements out of context, to unfairly paint him as an extremist, and I would like to go over just a few examples where this has happened.

Opponents say, “(John Graham) has said that dioxin is an anticarcinogen” and that he said that “reducing dioxin levels will do more harm than good.”

Those are quotes. Standing alone, that sounds pretty shocking, but let’s look at what John Graham actually said. The issue came up while Dr. Graham was participating as a member of the EPA’s Science Advisory Board, Dioxin Reassessment Review Sub-committee, when the subcommittee was reviewing EPA’s report on dioxin. Here is what he said during one of the meetings:

(“The conclusion regarding anticarcinogenicity . . . [in the EPA report on dioxin] should be restated in a more objective manner, and here’s my suggestive wording, “It is not clear whether further reductions in background body burdens of dioxin would reduce net reduction in cancer incidence, a net increase in cancer incidence, or have no net change in cancer incidence.”)

And I think there would be also merit in stating not only that (dioxin) is a carcinogen—That is John Graham speaking—And I think there would be also merit in stating not only is dioxin a carcinogen, but also I would put it in a category of a likely anticarcinogen. What he went on to suggest as an additional comment, supported by two studies, that very low levels of dioxin may reduce the risk of cancer, calling for full disclosure about two studies. It turns out, Mr. President, that in the final report of that EPA subcommittee, his suggestions were adopted.

The final report—his, but the EPA subcommittee—says:

There is some evidence that very low doses of dioxin may result in decreases in some adverse responses, including cancer.

That may sound absurd to us, but we are not experts—at least I am not an expert—and it seems to me that where you have somebody of this reputation, who, as part of an EPA subcommittee, points to two studies which he says suggests that it is possible that at low levels dioxin could actually be an anticarcinogen, and then the EPA subcommittee actually adopts that suggestion, for that to be characterized that he thinks dioxin is good, or something like that, is a serious mischaracterization of what happened.

I am not in a position to defend the dioxin studies, nor am I arguing the substance of their outcome. I am pointing out, however, that Dr. Graham, when he discussed this point, wasn’t making it up; he was bringing two scientific studies to the attention of the EPA subcommittee, and in the final report view report by the EPA Science Advisory Panel, Dr. Graham’s suggestion and the two studies to which he refers are mentioned.

We should have thought in the year 2000 that cancer victims would be taking thalidomide and actually seeing positive results. That is counterevving to me. I was raised believing thalidomide to be the worst, deadly substance just about known. The idea that last year people would be taking thalidomide as an anticarcinogen is surely counterevving to me, but we must not be afraid of knowing cost-benefits. It must not strike fear in our hearts, those of us who believe that regulation can make such a positive difference in the lives of people.

We should not be terrorized by labels, by characterizations which are not accurate. We should, indeed, I believe more than anybody, say: We want to know costs and benefits. We do not want to quantify the value of a human life. That is not what this is about. We should not quantify in dollars the value of a human life. It is invaluable—every life.

There is no dollar value that I can put on any life or on limb or on safety or on access. But we should know what is produced by a regulation and what is the cost of that regulation and what resources we are using that might be better used somewhere else to get greater benefits and still then make a judgment—not be prohibited from regulating, but at least know cost-benefit before we go on.

Let’s look at another issue where John Graham has been quoted out of context by his critics. It was that Dr. Graham has said that the risk from pesticides on food is “trivial.” In January 1995, Dr. Graham participated in a National Public Radio broadcast discussing upcoming congressional hearings on regulatory reform. At the time, he was attempting to bring to light the importance of risk-based priorities, the importance of identifying and understanding the most serious risks vis a vis less significant risks. In putting this comment in the right context, let’s look at what he actually said:

(“It [the federal government] suffers from a syndrome of being paranoid and neglectful at the same time. We waste our time on trivial risks like the amount of pesticides residues on foods in the grocery store at the same time that we ignore major killers such as the violence in our homes and communities.”)
has consistently stated that since we have limited funds, there should be "explicit prioritization of regulations. In other words, we have to make smart choices and strongly supported decisions and we need full disclosure of the differing risks to do this.

Dr. Graham's statements from an op-ed that he wrote for the Wall Street Journal on the merits of conducting cost-benefit analysis have also been mischaracterized. Critics say that John Graham has said that banning pesticides that cause small numbers of cancers "nutty." In the op-ed, Dr. Graham was opining on the adequacy of EPA's risk assessments supporting proposals to ban certain pesticides. Dr. Graham points out that the EPA did not look at all the costs and benefits associated with banning or not banning certain pesticides. He wrote:

"Pesticides are one example of the problem at EPA. EPA chief Carol Browner has proposed banning any pesticide that poses a theoretical risk to a consumer in excess of one in a million, without regard to how much pesticides reduce the cost of producing and consuming food. (The best estimate is that banning all pesticides that cause cancer in animals would raise the price of fruits and vegetables by as much as 50%). This is nutty. A baby's life-time risk of being killed on the ground by a crashing airplane is about four in a million. No one has suggested that airplanes should be banned without regard to their benefits to consumers.

Dr. Graham was making the point that we do not live in a risk-free world and that some risks are so small that while they sound bad, relatively speaking, they are minor compared to other risks we live with every day. Dr. Graham believes we should consider all the facts, that we should disclose all the costs and benefits associated with proposed regulations so we make smart common sense decisions.

Dr. Graham writes in the same article that "One of the best cost-benefit studies ever published was an EPA analysis showing that several dollars in benefits result from every dollar spent de-leading gasoline." His critics don't quote that part.

Continuing with the pesticides issue, critics say that Dr. Graham has said that "banning DDT might have been a mistake." This is not what Dr. Graham said. He actually said:

"Regulators need to have the flexibility to consider risks to both consumers and workers, since new pesticide products that protect consumers may harm workers and vice versa. For example, we do not want to become so focused on reducing the levels of pesticide residues in food that we encourage the development and use of products that pose greater dangers to farmers and applicators than the pesticide DDT, which was banned many years ago because of its toxicity to birds and fish. The substitutes to DDT particularly organophosphates, are persistant in food and in the ecosystem but have proven to be more toxic to farmers. When these substitutes were introduced, a number of unsuspecting farmers poisoned by the more acutely toxic substitutes for DDT.

These statements were part of Dr. Graham's testimony for a joint hearing on legislative issues pertaining to pesticides before the Senate Committee on Labor and Human Resources and the House Subcommittee on Health and Environment in September 1993. Dr. Graham was addressing his concerns on the lack of disclosure and review of the costs and benefits associated with the proposal of certain pesticides regulations. To properly show where Dr. Graham is on the pesticide issue, let me quote Dr. Graham's summary comments on risk analysis he made at that hearing. Dr. Graham testified:

"Pesticides products with significant risks and negligible benefits, should be banned. Products with significant benefits and negligible risks should be approved. We should not give up the benefits whose costs are outweighed by the benefits. But Dr. Graham was opining on the adequacy of EPA's risk assessments supporting proposals to ban certain pesticides. Dr. Graham points out that the EPA did not look at all the costs and benefits associated with the proposed regulations so we make smart common sense decisions."

In other words, Dr. Graham is saying that risks need to be disclosed and weighted based on the level of risk to the consumer. He also said that it is not yet known whether or not banning the use of cell phones while driving, even though this causes a thousand additional deaths on the road each year. The Executive Summary of the Harvard Center for Risk Analysis (HCRA) report, entitled "Cellular Phone Use While Driving: Risks and Benefits" states that there is a risk of using a cell phone while driving, although the level of that risk is uncertain. It states:

"We do not provide a definite resolution of the risk-benefit issue concerning use of cellular phones while driving. The objective of the report is to stimulate greater scientific and public policy discussion of this issue." Dr. Graham states up-front that the study is promoting "further discussion." The report on the issue of cell phone use. The report also does not completely rule out the need for regulation; it states that further study is necessary. The Executive Summary states:

"Cellular phone use while driving should be a concern of motorists and policymakers. We conclude that although there is evidence that using a cellular phone while driving poses risks to both the drivers and others, it may be premature to enact substantial restrictions at this time. Indecision about whether cellular phone use while driving should be regulated is reasonable due to the limited knowledge of the relative magnitude of the risks and benefits."
of risks and benefits. In light of this uncertainty, government and industry should endeavor to improve the database for the purpose of informing future decisions of motorists and policymakers. In the interim, industry and government should encourage, through vigorous public education programs, more selective and prudent use of cellular phones while driving in order to enhance transport safety.

Here, as is in the other examples, Dr. Graham is recommending that all data be considered so we can make a smart, common sense decision on any proposed regulation. There is no doubt that as a college professor, Dr. Graham has made some provocative statements on different issues. And I don’t agree with all of the statements or considerations he has made, but, I do believe, these statements are within the context of reasonable consideration of the risks and that he has made these statements to promote free thinking to generate ideas and so we can make the best decisions.

Mr. President, I don’t take any pleasure today in opposing some of my good friends and colleagues on a matter about which they appear to care so much. They have characterized the nomination of John Graham as a threat to our progress in protecting the environment, consumer safety and the safety of the workplace. If I believed that, I would vote “no” in an instant. But, contrary to what has been said by his opponents, I find John Graham to be a balanced and thoughtful person. So do other individuals in the regulatory field whom I respect. Dr. Graham has received letters of support from, among others, former EPA Administrator and now head of the Wilderness Society, William Reilly; five former OIRA Administrators from both Republican and Democratic Administrations; 95 academic colleagues; Harvard University professors and Cass Sunstein, University of Chicago Law Professor. Professor Sunstein has written a particularly compelling letter of support which I would like to read.

Dr. Graham has supported common sense, well-analyzed regulations because they use resources wisely against the greatest risks we face. That is the best way to assure public support for health and safety regulatory programs.

I think Dr. Graham will serve the public as Administrator of OIRA, and I look forward to working with him on these challenging issues.

Mr. President, I ask unanimous consent to print in the RECORD the letter from Professor Sunstein.

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

THE UNIVERSITY OF CHICAGO,
LEWIS B. LAW SCHOOL,

Senator JOSEPH LIEBERMAN,
Senate Hart Office Building,
Washington, D.C.

DEAR SENATOR LIEBERMAN: I am writing to express the strongest possible support for John Graham’s nomination to be head of the Office of Information and Regulatory Affairs. This is an exceptional appointment of a truly excellent and nonideological person.

I have known John Graham for many years. He’s a true believer in the rule of law, not as an ideologue but as a charter member of the “good government” school. In many ways his views remind me of those of Supreme Court Justice, and Democrat, Stephen Breyer (in fact Breyer thanks John in his most recent book on regulation). Unlike some people, John is hardly opposed to government regulation as such. In a number of areas, he has urged much more government regulation. In the context of automobile safety, for example, John has been one of the major voices in urging stronger steps to protect drivers and passengers.

A good way to understand what John is all about is to look at his superb and important book (coauthored with Jonathan Wiener), Risk vs. Risk (Harvard University Press). A glance at his introduction (see especially pp. 8-9) will suffice to show that John is anything but an ideologue. On the contrary, he is a firm believer in a governmental role. The point of this book is to explore how regulation of some risks can actually increase other risks and that government is aware of this point when it is trying to protect people. For example, estrogen therapy during menopause can reduce some risks, but it increases the risk of heart disease. What John seeks to do is to ensure that regulation does not inadvertently create more problems than it solves. John’s concern about the possible problems with CAFE standards for cars—standards that might well lead to smaller, and less safe, motor vehicles—should be understood in this light. When he questions regulation, it should be alert to the problem of unintended, and harmful, side effects. John has been a true pioneer in drawing attention to this problem.

John has been criticized, in some quarters, for pointing out that we spend more money on some risks than on others, and for seeking better priority-setting. These criticisms are misplaced. One of the strongest points of the Clinton-Gore “reinventing government” initiative was to ensure better priority-setting. These criticisms are misplaced. One of the strongest points of the Clinton-Gore “reinventing government” initiative was to ensure better priority-setting, by focusing on results rather than red tape. Like Justice Breyer, John has emphasized that we could save many more lives if we used our resources on big problems rather than little ones. This should not be a controversial position. And in emphasizing that environmental protection sometimes involves large expenditures for small gains, John is seeking to pave the way toward more sensible regulation, not to eliminate regulation altogether. In fact John is an advocate of environmental protection, not an opponent. When he questions regulation, it is because they deliver too little and cost too much.

John has also been criticized, in some quarters, for his enthusiasm for cost-benefit analysis. John certainly does like cost-benefit analysis, just like President Clinton, whose major Executive Order on regulation which requires cost-benefit analysis, isn’t dogmatic here. He simply sees cost-benefit analysis as a pragmatic tool, designed to ensure that the American public has some kind of account of the social consequences of regulation. If an expensive regulation is going to cost jobs, people should know about that—even if the regulation turns out to be worthwhile. John uses cost-benefit analysis to promote better priority-setting and more “bang for the buck”—not as a way to stop regulation when it really will do a significant good.

I might add that I’ve worked with John in a number of settings, and I know that he is firmly committed to the law—and a person of integrity. He isn’t dogmatic here. He simply sees cost-benefit analysis as a pragmatic tool, designed to promote better priority-setting and more “bang for the buck”—not as a way to stop regulation when it really will do a significant good.

A few words on context: I teach at the University of Chicago, in many ways the home to free market economics, and I know some people who really are opposed to regulatory programs as such. As academics, these people are excellent, but I fear them strongly, and I believe that the nation would have real reason for concern if one of them was nominated to head OIRA. John Graham is a true pioneer in drawing attention to this problem. This is an exceptional appointment of a truly excellent and nonideological person. I wouldn’t be at all surprised if, in some quarters, he turned out to be a vigorous voice for aggressive government regulation. In fact that’s exactly what I would expect. When he questions regulation, it is because he thinks we can use our resources in better ways; and on this issue, he stands as one of the most important researchers, and most promising public servants, in the nation.

Sincerely,

CASS R. SUNSTEIN.
seems to be pulling away. It is in that context I view this nomination.

With that in mind, I have weighed Dr. Graham’s nomination carefully. I have reviewed his history and his extensive record of advocacy and published materials. I listened carefully to his testimony before the Governmental Affairs Committee. I did so, inclined, as I usually am, to give the benefit of the doubt to the President’s nominee. In this case, my doubts remained so persistent and the nominee’s record on issues that are at the heart of the purpose of the office for which he has been nominated are so troubling that I remain unconvinced that he will be able to appropriately fulfill the responsibilities for which he has been nominated. I fear in fact, he might—not with bad intentions but with good intentions, his own—contribute to the weakening of Government’s protective role in matters of the environment, health, and safety. That is why I have decided to oppose Dr. Graham’s nomination.

Let me speak first about the protective role of Government. Among the most essential duties that Government has is to shield our citizens from dangers from which they cannot protect themselves. We think of this most obviously in terms of our national security or of enforcement of the law at home against those who violate the law and commit crimes. But the protective function also includes protecting people from breathing polluted air, drinking toxic water, eating contaminated food, working under hazardous conditions, being exposed to unsafe consumer products, and falling prey to consumer fraud. That is not big government; that is responsible, protective government. It is one of the most broad and supportive roles that Government plays.

OIRA, this office which Dr. Graham has been nominated to direct, is the gatekeeper, if you will, of Government’s protective role. OIRA reviews major rules proposed by agencies and assesses information on risk, cost, benefits, and alternatives before the regulations can go forward. Then if the Administrator of OIRA finds an agency’s proposed rule unacceptable, they return the rule to the agency for further consideration. That is considerable power. This nominee would continue the traditional role but charter a further, more ambitious role by declaring that he intends to involve himself more in the front end of the regulatory process. I assume. That is what he said before our committee. I assume by this he meant he will take part in setting priorities in working with agencies on regulations even before they have formalized their own ideas to protect the public.

So his views on regulation are critically important, even more important because of this stated desire he has to be involved in the front end of the process. It also means he could call upon the agencies to conduct time-consuming research and analysis before they actually start developing protections needed under our environmental statutes. Some others have referred to this as paralysis by analysis; in other words, paralyzing the intention, stifling the intention of various agencies of our Government to issue regulations which protect the environment, public health, safety, consumers, by demanding so much analysis that the regulations are ultimately delayed so long they are still.

OIRA, looking back, was implicated during earlier administrations in some abuses that both compromised the protective role of Government and undermined the public’s confidence in it. There was a history of OIRA reviewing regulations in secret, without disclosure of meetings or context with interested parties. Rules to protect health, safety, and the environment would languish at OIRA. I can’t help but making that up. Regulations would be stymied literally for years with no explanation. Then OIRA would return them to the agencies with many required changes, essentially overruling the expert judgment of the agencies, which not only compromised the health and safety of the public which was unprotected by those regulations for all that time but also frustrated the will of Congress which enacted the laws that were being implemented by those regulations.

To be fair, of course, it is too soon to say whether similar problems will occur at OIRA during the Bush administration, and Dr. Graham himself expounded a desire to increase the transparency of decisionmaking at OIRA. However, the potential for abuse remains. That is particularly so for delaying the process, with question after question, while the public remains unprotected. Let me turn directly to Dr. Graham’s record. In the hearing on his nomination, Dr. Graham acknowledged, for instance, his opposition to the assumptions underlying our landmark environmental law, that every American has a “right” to drink safe water and breathe clean air. Indeed, Dr. Graham has devoted a good part of his career to arguing that those laws mis-allocate society’s resources, suggesting we should focus more on cost-benefit principles, which take into consideration. I think, one view of the bottom line, but may sacrifice peoples’ right to a clean and healthy environment and a fuller understanding of the bottom-line costs on regulations, that were people are left unprotected. Indeed, Dr. Graham has written generally, for example, that the private sector should not be required to spend as much money as it does on programs to control toxic pollution, that he believes, on average, are less cost-effective or medical or injury-prevention efforts, while presumably the money should be spent. But why force us to make such a choice when both are necessary for the public interest?

Dr. Graham has said society’s resources might be better spent on bicycle helmets or violence prevention programs than on reducing children’s exposure to pesticide residues or on cutting back toxic pollution from oil refineries. This is the kind of result that his very theoretical and I would say, respectfully, impractical, cost-benefit analysis produces. Bicycle helmets save lives, and violence is bad for our society. But the problem is that Dr. Graham’s provocative theorizing fails to answer the questions of how to protect the health of, for instance, the family that lives next to the oil refinery or in the neighborhood. His rational priority setting may be so rational that it becomes, to those who don’t make it past the cost-benefit analysis, cruel or inhumane, although I know that it is not his intention.

Dr. Graham sought to allay concerns by explaining that his provocative views were asserted as a university professor, and that in administering OIRA he would enforce environmental and other laws as written. I appreciate his assurances. But for me, his long-standing opinions and advocacy that matters of economy and efficiency supersede the environmental and public health rights of the citizenry still leave me unsettled and make him an unlikely nominee to lead OIRA.

Dr. Graham’s writings and statements are controversial in their own right, but they are all the more so in light of the actions the Bush Administration has already taken with regard to protective regulations. It began with the so-called Card memo—written by the President’s Chief of Staff, Andrew Card—which delayed a number of protective regulations issued by the Clinton administration. The Card memo was followed by a series of troubling decisions—to reject the new standard for arsenic in drinking water; to propose lifting the rules protecting groundwater against the threat of toxic waste from “hard-rock” mining operations on public lands; to reconsider the rules safeguarding pristine areas of our national forests; and to weaken the energy-efficiency standard for central air conditioners.

So his views are disconcerting. In the context of this administration and the direction in which it has gone, they are alarming. We have received statements from several respected organizations opposing this nomination. I do at this time want to read a partial list of those because they are impressive: the Wilderness Society, the League of Conservation Voters, the Sierra Club, the National Resources Defense Council, Public Citizen, National Environmental

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**CONGRESSIONAL RECORD—SENATE**

July 19, 2001

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CONGRESSIONAL RECORD—SENATE
JULY 19, 2001

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Trust, OMB Watch, AFL-CIO, American Federation of State, County and Municipal Employees, American Federation of Teachers, Center for Science and the Public Interest, Defenders of Wildlife, Earthjustice Legal Defense Fund, Friends of the Earth, Greenpeace, Mineral Policy Center, Physicians for Social Responsibility, Southern Utah Wilderness Alliance, the United Food and Commercial Workers, the United Food and Commercial Workers International Union, The United States Public Interest Research Group.

We have received, Members of this body, letters from many of these organizations and others urging us to oppose this nomination. We have also received letters against the nomination from over 30 department heads and faculty members at medical and public health schools across the United States, from numerous other scholars in the fields of law, economics, science, and business, and from former heads of Federal departments and agencies that have been referred to earlier in this debate.

I ask unanimous consent that these various letters of opposition to Dr. Graham's nomination be printed in the RECORD.

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


U.S. Senate, Washington, DC.

DEAR SENATOR:

We are writing to express our opposition to President Bush's nominee to head OMB's Office of Information and Regulatory Affairs, John Graham. We believe Dr. Graham's track record raises serious concerns that warrant your careful consideration. In particular:

As director of the Harvard Center for Risk Analysis, which is heavily funded by corporate money, Dr. Graham has been a consistent and vocal defender of almost all industries, continually thwarting crucial health, safety, and environmental protections. As OIRA administrator, Dr. Graham will sit in ultimate judgment over regulation affecting his former allies and beneficiaries. This gives us great concern that OIRA will take a much more activist role in the rulemaking process, reminiscent of the 1980s when the office caved under heavy pressure from Congress and industry to support the worst tendencies of cost-benefit analysis, above all, with respect to understate benefits and overstate costs. We fear that information policy will suffer with Dr. Graham at the helm, and that he is more likely to focus on regulatory matters—his natural area of interest and expertise. Ironically, Congress has never asked OIRA to review agency regulations. This power flows from presidential executive order.

Dr. Graham's track record does not demonstrate the sort of objectivity and dispassion we would expect from the next OIRA administrator. Indeed, he has demonstrated a consistent hostility to health, safety, and environmental protection—one telling the Heritage Foundation that "[e]nvironmental regulation should be depicted as an incredible intervention in the operation of society." Dr. Graham's nomination threatens to bring back the days when environmental requirements that are assumed voluntarily and those that are imposed voluntarily and those that are imposed voluntarily.

Graham's considerable financial support from industry raises serious questions about potential conflicts of interest and his ability to be truly objective. His close ties to regulated industry will potentially offer these entities an inside track and make it difficult for Dr. Graham to run OIRA free of conflicts of interests and with the public good in mind.

For these reasons, we strongly urge you to oppose the nomination of Dr. Graham to be the Administrator of OIRA. LCV's Political Advisory Committee will consider including votes on these issues in compiling LCV's 2001 Scorecard. If you need more information, please call Betsy Loyless in my office at 202/785-8683.

Sincerely,

GARY D. BASS, Executive Director.

NATIONAL ENVIRONMENTAL TRUST, Washington, DC.

RE: Oppose the nomination of Dr. John Graham to be OIRA administrator.

U.S. Senate, Washington, DC.

DEAR SENATOR,

The League of Conservation Voters (LCV) is the political voice of the national environmental community. Each year, LCV publishes the National Environmental Scorecard, which details the voting records of Members of Congress on environmental matters. The Scorecard is distributed to LCV members, concerned voters nationwide, and the press.

LCV opposes the nomination of Dr. John Graham to head OIRA. Dr. Graham recently directed a program that saved 60,000 more lives per year in this country at no additional cost to the public sector or the private sector. Dr. Graham told the Government Affairs Committee on May 22, 1997, that the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget. The Administrator of OIRA plays an extremely important role in establishing regulatory safeguards for every agency of our government. The position requires a fair and even-handed judge of the implications of regulatory policies.

OIRA is the office in the Executive Office of the President through which major federal regulations and many executive policies must pass for review before they become final. The office has great leeway in shaping proposals it reviews or holding them up indefinitely. One of the principal ways in which OIRA influences rulemakings is through its use of risk assessment and cost-benefit analysis.

Graham has a perspective on the use of risk assessment and cost-benefit analysis that would greatly jeopardize the future of regulatory policies meant to protect average Americans. He advocates an analytical framework that sympathetic to the worst tendencies of cost-benefit analysis to understate benefits and overstate costs.

As head of OIRA, he would be in a position to impose this approach throughout the government.

Graham's agenda has led him to challenge environmental regulation and the Food Quality Protection Act. He has used comparative risk assessments to rank different kinds of risk and to argue that society should not take actions to reduce environmental hazards as long as there are other risks that can be reduced more cheaply. His approach makes no distinction between risks that are assumed voluntarily and those that are imposed involuntarily.

Graham's considerable financial support from industry raises serious questions about potential conflicts of interest and his ability to be truly objective. His close ties to regulated industry will potentially offer these entities an inside track and make it difficult for Dr. Graham to run OIRA free of conflicts of interests and with the public good in mind.

For these reasons, we strongly urge you to oppose the nomination of Dr. Graham to be the Administrator of OIRA. LCV's Political Advisory Committee will consider including votes on these issues in compiling LCV's 2001 Scorecard. If you need more information, please call Betsy Loyless in my office at 202/785-8683.

Sincerely,

DEB CALLAHAN, President.
creating a higher barrier for agencies to overcome in order to issue a rule other than the one which is most “cost effective”. Furthermore, Mr. Graham is hostile to the very idea of environmental regulation. In 1996, Graham, along with other critics at the Heritage Foundation that “environmental regulation should be depicted as an incredible intervention in the operation of society.” He has also stated that support for the regulation of chemicals in our water supply shows the public’s affliction with “a syndrome of paranoia and neglect.” (“Excessive Reports of Health Risks Exaggerate,” The Patriot Ledger, Nov. 28, 1996, at 12.)

We are also greatly concerned that Mr. Graham is being considered for this position given the Harvard Center for Risk Analysis’ record of producing reports that strongly match the interests of those businesses and trade groups that fund them. For instance a 1999 Risk Analysis Center report found that banning older, highly toxic pesticides would lower agricultural yields and result in an increase in production costs that cause food production would be hampered. This widely criticized report was funded by the American Farm Bureau Federation, which has a conflict of interest on pesticides.

In 1999, Mr. Graham supported the Regulatory Improvement Act of 1999 (S. 746). The late Senator John Chafee, then chairman of the Senate Environmental and Public Works Committee promised to vehemently oppose this bill due to its omnibus approach to “regulatory reform.” Under S. 746, regulations would have been subject to just the type of cost-benefit analysis and risk assessments that Mr. Graham advocates, across the board, regardless of the intent of the proposed rule. Such a method would be grossly opposed by environmental, consumer, and labor groups. For these reasons and more, Mr. Graham’s appointment to the Office of Information and Regulatory Affairs within OMB represents a serious threat to public health and environmental protections. Please oppose his nomination to head OIRA.

Sincerely,

PHILIP F. CLAPP, President.


Hon. J. Joseph LIEBERMAN, Ranking Minority Member, Senate Governmental Affairs Committee, Washington, DC.

DEAR CHAIRMAN THOMPSON AND RANKING MINORITY MEMBER LIEBERMAN: I am writing on behalf of the over 400,000 members of the Natural Resources Defense Council to make clear our strong opposition to the nomination of Dr. John D. Graham to direct the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget. We encourage you to very carefully consider his anti-regulatory record and the paramount consideration in setting regulations. Dr. Graham’s views and opinions are directly at odds with these policies.

We are also deeply concerned about Dr. Graham’s close ties to the regulated community. The major source of Dr. Graham’s funding at the Harvard Center for Risk Analysis and the Office of Information and Regulatory Affairs who have vigorously opposed a wide range of health, safety and environmental protections. Much of Dr. Graham’s work has been requested and then relied upon by those who seek to block necessary protections.

Given Dr. Graham’s extreme views on regulatory policy and close alliance with the regulated communities, we are deeply concerned about his ability to provide for a fair review of regulations that are needed to protect workers and the public. If he is confirmed, we believe that the development of important safeguards to protect the health and safety of workers across the country would be impeded.

Therefore, the AFL-CIO urges you to oppose Dr. Graham’s confirmation as Administrator of the Office of Information and Regulatory Affairs.

Sincerely,

WILLIAM SAMUEL, Director, Department of Legislation.


DEAR SENATOR: On behalf of the 1.3 million members of the American Federation of State, County and Municipal Employees (AFSCME), I write to express our strong opposition to the nomination of John D. Graham, Ph.D. to direct the Office of Information and Regulatory Affairs (OIRA) at the Office of Management and Budget (OMB).

As gatekeeper for all federal regulations, the Administrator of OIRA has an enormous impact on the health and safety of workers and the public. Yet Dr. Graham’s record as Director of the Harvard Center for Risk Analysis demonstrates that he would minimize consideration of worker and public health in evaluating rulemaking and instead rely almost exclusively on considerations of economic efficiency.

Dr. Graham’s approach to regulatory analysis frequently ignores the benefits of federal regulation, indicating that reviews under his leadership will lack balance. His anti-regulatory zeal causes us to question whether he will be able to implement regulations that reflect decisions by Congress to establish health, safety and environmental protections. We are also deeply concerned that Dr. Graham’s extreme views and close alliance with regulated entities will prevent the OIRA from providing a fair review of regulations that are needed to protect workers and the public.

For the foregoing reasons, we urge you to oppose Dr. Graham’s confirmation as Administrator of the Office of Information and Regulatory Affairs.

Sincerely,

CHARLES M. LOVELESS, Director of Legislation.
CONGRESSIONAL RECORD—SENATE

July 19, 2001

FRANK CLEMENTE,
Director, Public Citizen
CongressWatch.

U.S. PUBLIC INTEREST
RESEARCH GROUP,
Washington, D.C.

DEAR SENATOR LIEBERMAN: On behalf of the 1.4 million members of the United Food and Commercial Workers International Union (UFCW), I am writing to express our opposition to President Bush's nomination of John D. Graham, Ph.D., to head the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA).

As Administrator of OIRA, Dr. Graham would be the gatekeeper for all federal regulations, including those dealing with environmental protection, workplace safety, food and drug safety, and consumer safety. He has consistently viewed cost-benefit analysis as the determinative criteria in deciding whether a rule goes forward and is that which is frequently at odds with congressional mandates that place public health considerations as the preeminent factor in rule-making deliberations. Information to be considered regarding the fairness of Dr. Graham, we have strong concerns about his extreme versions of regulatory reform, which the Senate has considered but never approved and which we sought to defeat.

Furthermore, we are also concerned with Dr. Graham's close ties to industry. As Director of the Harvard Center for Risk Analysis, he has received financial support from more than 100 corporations and trade associations over the last 12 years. At the same time, Dr. Graham has produced numerous reports, given testimony, and provided media commentary that directly benefited those who have funded the Center, which include food processors, oil and chemical companies, and pharmaceutical industries. In addition, many of these companies have staunchly opposed new regulatory initiatives and have been leading proponents of extreme regulatory reform.

Dr. Graham's track record does not demonstrate the sort of objectivity and dispassionate analysis that would expect from the next OIRA Administrator. Given his extreme views on regulatory policy, and his close ties with the regulated communities, we are deeply concerned about his ability to provide for a fair review of regulations that are needed to protect workers and the public.

For these reasons, the UFCW urges you to oppose confirmation of John D. Graham, Ph.D., as Administrator of the Office of Information and Regulatory Affairs.

Sincerely,

DOUGLAS H. DORITY,
International President.

U.S. PUBLIC INTEREST
RESEARCH GROUP.

WASHINGTON, DC.

DEAR SENATOR: The U.S. Public Interest Research Group (U.S. PIRG), as association of state-based organizations that are active in over 40 states, urges that you oppose the nomination of Dr. John Graham to the Office of Management and Budget's Office of Information and Regulatory Affairs (OIRA), and that you support closer scrutiny of his suitability to lead OIRA. As Administrator of OIRA, Dr. Graham could use a closed-door process to stop much-needed protections prior to any public debate, and to construct
regulatory procedures that would weaken consumer, environmental or public health protections contemplated by any federal agency.

Dr. Graham has a long history of espousing highly controversial and academically suspect positions opposing protections for consumers, public health, and the environment. He also has a history of taking money from corporations with a financial interest in the topics on which he writes and speaks. Unfortunately, this pattern of soliciting money from polluting corporations, taking controversial positions that are favorable to his benefactors, and failing to fully disclose conflicts of interests calls into question his fitness to be the Administrator of OIRA.

Dr. Graham’s positions are based on theories of risk assessment that fall far outside of the mainstream, and, in fact, are contrary to positions taken by esteemed academics and scientists. Widespread opposition to Dr. Graham’s nomination from well-respected professionals is indicative of his unbalanced approach. Indeed, eleven professors from Harvard University employed by Dr. Graham are employed by 53 other academics from law, medicine, economics, business, public health, political science, psychology, ethics and the environmental sciences drafted letters of opposition to Dr. Graham’s nomination. These experts all concluded that Dr. Graham is the wrong person to supervise the nation’s system of regulatory safeguards.

Overwhelming opposition to Dr. Graham reflects deep concern regarding his pattern of pushing controversial and unsupported theories, combined with his failure to disclose close financial conflicts of interests. In constructing his positions on regulatory affairs, Dr. Graham has employed dubious methodological assumptions, utilized inflated costs estimates, and failed to fully consider the benefits of safeguards to public health, consumers and the environment. Dr. Graham has used these tools when dealing with the media to distort issues related to well-established dangers, including cancer-causing chemicals (such as benzene), the clean up of toxic waste, ensuring Love Canal, the dangers of pesticides in food. In each instance, Mr. Graham’s public statements failed to include an admission that he was being paid by corporations with a financial stake in rulemaking related to those topics.

Widespread opposition to Dr. Graham is buttressed by the unquestioned need for a balanced leader at OIRA. This office is the gatekeeper of OMB’s regulatory review process, and dictates the creation and use of analytical methodologies that other agencies must employ when developing protections for public health, consumers, and the environment. In his role as gatekeeper, Dr. Graham will have the ability to stop much-needed protections before they ever see the light of day. In his role as director of analysis, he will be able to manipulate agency rulemakings—without Congressional approval or adequate public discussion—by issuing new OMB policies that force other agencies to conform to his narrow and highly controversial philosophy. This could result in a weakening of current protections, and a failure to create adequate future safeguards.

OIRA needs a fair and balanced individual at its helm. Dr. Graham’s record demonstrates an unmistakable pattern of placing the profits of polluters, over protections for public health, the environment, and consumers. In the interests of balance, accountability, we urge you to oppose Dr. Graham’s nomination, and to support ongoing Congressional efforts to carefully scrutinize his record.

Sincerely,

GENE KARPINSKI
Executive Director.

Mr. LIEBERMAN. As a Senator reviewing a President’s nominee, exercising the constitutional advice and consent responsibility we have been given, I always try not to consider whether I would have chosen this nominee because it is not my choice to make. However, it is my responsibility to consider whether the nominee would appropriately fulfill the responsibilities of this office; whether I have sufficient confidence that the nominee would do so to vote to confirm him.

Where we are dealing, as we are here, with what I have described as the protective role of Government, where people’s safety and health and the protection of the environment is on the line, I approach my responsibility with an extra measure of caution because the consequences of confirming a nominee who lacks sufficient commitment to protecting the public health and safety through protective regulations are real and serious to our people and to our principles.

Dr. Graham, in the meetings I have had with him, appears to me to be an honorable man. I just disagree with his record and worry he will not adequately, if nominated, fulfill the responsibilities of this office.

So taking all of those factors into account, I have reached the conclusion that I cannot and will not support the nomination of Dr. Graham to be the Director of OIRA.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I had spoken to Senator DURBIN and Senator THOMPSON. I ask unanimous consent that all time but for 1 hour on this nomination be yielded back and that there be, following the conclusion of that debate, which would be evenly divided between Senator THOMPSON and Senator DURBIN, with Senator THOMPSON having the ability to make the final speech—he is the mover in this instance—following that, there will be 1 hour evenly divided and we will have a vote after that.

Mr. DURBIN. Reserving the right to object, if I could ask Senator THOMPSON, could we agree that in the last 10 minutes before debate closes we each have an opportunity to speak, with Senator THOMPSON having the final 5 minutes?

Mr. THOMPSON. Yes. I have no objection.

The PRESIDING OFFICER. Does the Senator so modify his request?

Mr. REID. Yes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?
The American Council on Science and Health has concluded that, "Graham cares about injury prevention and has made many important and significant contributions to the field of injury control."

Before I conclude, I would like to raise one other point about John Graham's nomination.

There has been strong support for Dr. Graham's nomination from a variety of sources. However, there have also been some criticism of Dr. Graham and the Harvard Center for Risk Analysis regarding their corporate funding. I see this criticism as totally unfounded.

While some corporate funding has been provided to the Harvard Center, what is generally not revealed is the fact that Federal agencies also fund Dr. Graham's work.

Moreover, Dr. Graham and the Harvard Center for Risk Analysis have financial disclosure policies that go beyond even that of Harvard University.

The Harvard Center for Risk Analysis has a comprehensive disclosure policy, with the Center's funding sources disclosed in the Center's Annual Report and on their Web Site.

You just turn on your computer, get in their Web site, and it is all there for everyone to see. They do not hide one thing.

If reporters, activists, or legislators want to know how the Harvard Center is funded, the information is publicly available. It is well known that the Harvard Center has substantial support from both private and public sectors.

The Harvard Center also has an explicit, public conflict-of-interest policy, and as for Dr. Graham, he has a personal policy that goes beyond even Harvard's as he does not accept personal consulting income from companies, trade associations, or other advocacy groups.

We should publicly thank individuals such as Dr. Graham who are willing to serve our Nation, even when they are put through our intense nomination process. I know this has been very hard on his family.

As my mother once said, "This too will pass."

I am sure my colleagues will see through the smokescreen that is being put out by some this evening by some of my colleagues.

Dr. Graham has answered his critics. It is now time for the Senate to get on with the business of the people. It is time to confirm Dr. Graham as the next Administrator of OIRA.

The PRESIDING OFFICER. Who yields time?

Mr. THOMPSON. Mr. President, I yield 5 minutes to the Senator from Texas.

Mr. GRAMM. Mr. President, I wanted to come over and speak on this nomination for several reasons.

One, OIRA is an office I know something about. My wife held this position during the Reagan administration. It is a very powerful position. It is the M in OMB. If there is one position in Government where we want someone who understands cost-benefit analysis and who is committed to rationality, it is at OIRA. When I have listened to Dr. Graham's critics, it strikes me that, first of all, there is a broad misunderstanding about what cost-benefit analysis is. Cost-benefit analysis is not the dollars of cost versus the dollars of benefits. Cost-benefit analysis is when you are a kid and you climb over this wall and your momma comes out and says, Phil, get off that wall; so you weigh, A, you are liable to get a beating if you do not do it; B, you might fall off and break a bone. And the kid might see you on the wall and figure that you actually are cool. And you weigh that in a rational way and decide whether to get off the wall. That is cost-benefit analysis.

In reality, what Dr. Graham's opponents object to is rationality. That is what they object to. If there is a garbage dump in the middle of the desert that no one has been close to in 50 years, they object to the fact that someone will stand up and say, "We could probably do more for child safety by improving traffic safety, by buying helmets for people who ride bicycles than by going out in the desert and digging up this garbage dump."

They object to that statement because it is rational. And they are not rational. They want to dig up that garbage dump not because it makes sense in a society with limited resources, not because it is a better use than sending kids from poor neighborhoods to Harvard University—a better use of money than that—but it is because it is the cause.

Let me also say there is something very wrong with the idea that someone who takes the scientific approach is dangerous in terms of setting public policy. It seems to me that you can agree or disagree with the finding, but the fact that somebody tries to set out systematically what are the benefits of an action, and what are the costs of an action, and puts that before the public in a public policymaking context—how can society be the loser from that? It seems to me society must be the winner from that process.

Let me make two final points.

First of all, I take strong exception to this criticism, which I think is totally unfair, that Dr. Graham, in his center at Harvard University, is somehow tainted because corporate America is a supporter of that center—along with the EPA, the National Science Foundation, the Center for Disease Control, the Department of Agriculture, and numerous other sources of funding. Where do you think money
comes from? Who do you think supports the great universities in America? Corporate America supports the great universities, not the workers' safety groups.

I have to say, I think there is something unseemly about all these self-appointed public interest groups. I always tell people from my State: Anybody in Washington who claims to speak for the public interest, other than I, be suspicious. But these self-appointed public interest groups, where do they get their money from? They don't tell you. You don't know where their money comes from. Harvard University tells you, and they are corrupted. All of these self-appointed special interest groups don't tell you where their money comes from, and they are pure. How does that make any sense?

Finally, let me just say I have heard a lot of John Graham's views. I listened to this Chamber, and have heard many weak statements, but I congratulate our colleague, Senator LEVIN. Senator LEVIN is one of our smartest Members in the Senate. I have often heard him make very strong statements, but I have never heard him better than he was tonight. I think there has been no finer debate in this Senate Chamber, certainly in this Congress, than CARL LEVIN's statement tonight. It was a defense of rationality.

That is what this debate is about.

The opposition to Dr. John Graham of Harvard University is opposition to rationality in setting public policy, because there are many people who believe—I do not understand it, but they believe—that there are some areas where rationality does not apply, that rationality should not apply in areas such as the environment and public safety. I say they should because the world operates on fixed principles and we need to know it.

The PRESIDING OFFICER (Mr. CORZINE). The Senator's time has expired.

Mr. GRAMM. I appreciate the Chair's indulgence.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Illinois.

Mr. DURBIN. Mr. President, I have listened very carefully to the defenders of John Graham this evening. I listened very carefully to CARL LEVIN, the Senator from Michigan. I respect him very much. It is a rare day when Senator CARL LEVIN and I disagree on an important issue such as this, but we do disagree.

Senator LEVIN, Senator Voinovich, Senator GRAMM, and others have come to this Chamber and have talked about the fact that when you enact a rule or regulation in America to protect public health or workers' safety, you should take into consideration the cost of that rule. I do not argue with that at all. You cannot argue with that. There has to be some rationality, as the Senator from Texas says, between the rule and the perceived protection and result from it.

I have to agree with the fact that John Graham is capable of understanding the value of a dollar. What I quarrel with is the question of whether he is capable of understanding the value of sound science and the value of human life. That is what this is all about. When you make this mathematical calculation—which he makes as part of his daily responsibilities at his center for risk studies; he can make that mathematical calculation; I am sure he can; we can all make it—the question is, What do you put into the calculation?

Let me give you an example. People have come to this Chamber to defend John Graham, but very few of them tell you about good products and bad ones. That is why they are credible and they are corrupted. All money comes from. Harvard University is opposition to special interest groups. I always pointed public interest groups. I always tell you about good products and bad ones. That is why they are credible and not believe that pesticides on food as a health problem is virtually nonexistent. It's speculation.

John Graham, in 1998: Pesticides on food as a health problem is virtually nonexistent; speculation.

We asked him the same question at the hearing. He took the same position. He backed off a little bit, but he does not believe that pesticides on food present a health hazard. Let's look at the other side of the ledger. You decide whether these people are credible people or whether, as the Senator from Texas has suggested, they have their own special interest at stake.

Here is one. Here is a really special interest group, the National Academy of Sciences. They released a study entitled "Pesticides in the Diets of Infants and Children" in 1993. They concluded: Changes needed to protect children from pesticides in diet.

Not John Graham, the gatekeeper for the rules of public health in America, he doesn't see it; the National Academy of Sciences does.

Take a look at Consumers Union. I read the Consumers Union magazine. I think it is pretty credible. And they go straight down the center stripe. They tell you about good products and bad ones. That is why they are credible and we buy their magazines.

In their report of February 1999 entitled "Do You Know What You're Eating?" they said: There is a 77% chance that a serving of winter squash delivers too much of a banned pesticide to be safe for a young child.

Well, obviously, the Consumers Union knows nothing about risk analysis. They don't understand John Graham's idea of the world, his scientific revolution, his paradigm.

John Graham said: Pesticides on food? Virtually nonexistent as a health problem—not to the Consumers Union. They got specific: Winter squash, young children, 77-percent chance that they will have a serving of pesticide they should not have in their diet.

How can a man miss this? How can John Graham, who has spent his professional life in this arena, miss this? This is basic. And he wants to go to OMB and decide what the standards will be for pesticides in food for our kids, my grandson, and children to come, for generations?

Do you wonder why I question whether this is the right man for the job?

Here is the last group—another "special interest" group—the Environmental Protection Agency. Here is what they said:

EPA's risk assessment showed that methyl parathion could not meet the FQPA (Food Quality Protection Act) safety standard. . . . of everyone, maybe everyone will not six exceeded the reference dose (or amount that can be consumed safely in a 70-year lifetime) by 880%.

Methyl parathion—this was applied to crops in the field. After we came out with this protective legislation, they had to change its application so it did not end up on things that children would consume.

The EPA knew it. The National Academy of Sciences knew it. The Consumers Union knew it. But John Graham, the man who is being considered this evening, he did not know it. So what minor job does he want in the Bush administration? The last word at the OMB on rules and regulations on the environment and public health and safety. That is why I oppose his nomination.

I at this point am prepared to yield the floor to the Senator from Massachusetts. I do not know if there will be a moment of courtesy. I will try not to use all that time because there are people waiting around for the vote. But I ask unanimous consent there be an additional 30 minutes for debate on this matter, equally divided.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have spoken to Senator THOMPSON. The Senator from Massachusetts wishes to speak for up to 15 minutes. The way we have been handling this is, whatever time is used on this side would be compensated on the other side. So I ask unanimous consent for an additional 15 minutes for this side. And for the information of everyone, maybe everyone will not use all the time because there are people waiting around for the vote. But I ask unanimous consent there be an additional 30 minutes for debate on this matter, equally divided.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Massachusetts.

Mr. KERRY. Mr. President, I thank the distinguished majority whip and the Senator from Tennessee for his courtesy. I will try not to use all that time. I cannot guarantee it.

I obviously rise to discuss the nomination of John Graham. Having served...
now for a number of years as chairman or ranking member, in one role or the other, of the Committee on Small Business, I have watched firsthand and listened firsthand to the frustration of a great many business owners dealing with Federal regulation. I think all of us have heard these arguments at one time or another.

I have obviously also witnessed, as many of you have, how needlessly complex and redundant regulations can stifle economic growth and innovation and also how regulation that was designed for a large corporate entity is often totally incompatible with small firms.

Always the intention of the underlying rule or law is sound, whether it is protecting the environment or public health or worker safety or consumers, but too often the implementation becomes excessive, overzealous, onerous, restrictive and, in the end, it is harmful.

Recognizing this problem, I have supported a range of efforts to ensure that regulations are reasonable, cost-effective, market based, and business friendly. In particular, I supported the Regulatory Flexibility Act and the Small Business Regulatory Enforcement Fairness Act. Since its passage, the RFA has played an increasingly important role in protecting our Nation’s small businesses from the unintended consequences of Government regulation.

Additionally, with the passage of SBREFA, small businesses have been given valuable new tools to help ensure that their special needs and circumstances are taken into consideration. The RFA and SBREFA, if used as intended, work to balance the very real need of our Federal agencies to promulgate important and needed regulations with those of small business compliance costs. They can differ substantially from those of large business cousins.

The Small Business Administration reports that these laws I just mentioned have saved over $20 billion in regulatory compliance costs between 1998 and 2000 alone without sacrificing needed safeguards.

On the other side of the ledger, though, I also believe very strongly that the Federal Government has a responsibility to protect the environment, public health, consumers, and workers. It was 6 years ago that I joined with others in the U.S. Senate to oppose the enactment of a bill that was incorrectly called the Comprehensive Regulatory Reform Act, a bill which, for many of us who looked at it closely and examined what were good intentions, we determined would have undermined important Federal protections.

I listened to the Senator from Texas a moment ago ask how society can be the loser for looking at cost-benefit. I support looking at cost-benefit. I support looking at the least-intrusive, most effective, least-cost solution to a number of important measures which we seek to put in place.

But to answer the question of the Senator from Texas, how can society be a loser, the answer is very simple. Society can be a loser when people bring you a bill such as the Comprehensive Regulatory Reform Act that pretended to do certain things but actually, both in intent and effect, would have done an enormous amount of damage to the regulatory scheme.

The reason society can be a loser, in answer to the question of the Senator from Texas, is that if you apply the wrong standards, if you apply the wrong judgments about how you make your cost analysis, you can completely distort expenditure and thus the interests of health, of the environment, of workers, and of consumers.

Some of my colleagues may have forgotten that there are people in the Senate and the House of Representatives who are on this side of the aisle and opposed the Clean Water Act, who voted against the Clean Water Act, who voted against the Safe Drinking Water Act. There are people who have voted against almost every single regulatory scheme that we seek to implement in the interest of protecting clean water, clean air, hazardous waste, and a host of others. There has long been a movement in this country by those people who have most objected to those regulations in the first place to create a set of criteria that empower them, under the guise of reform, to actually be able to undermine the laws that they objected to in the first place. That is how society can be a loser, a big loser.

In point of fact, what came to us was the Comprehensive Regulatory Reform Act was, in fact, the planks of the Contract with America, championed by Speaker Newt Gingrich, that began with the premise that they wanted to undo the Clean Water Act altogether. When we looked at this act and began to read through it very closely, we learned that what was purported to be a straightforward attempt to streamline the regulatory process and ensure that Federal and private parties alike could determine whether and to consider the costs as well as benefits of Federal safeguards, while that may have been the stated purpose, that would not have been the impact of that legislation.

In fact, I stood on the floor of the Senate with a group of colleagues who defined those differences, and we stopped that legislation. It would have upended Federal safeguards impacting clean air, clean water, public health, workers, air travel, camps, food, medicine, and virtually every other area regulated for the common good.

It did this by creating a complex scheme of decisional criteria, cost-benefit analysis, and judicial review that skewed the entire process away from the balance that we tried to seek in the number of regulatory rollback measures that many of us have talked about.

I am in favor of regulatory reform. Do I believe there are some stupid environmental laws that have been applied in stupid ways by overzealous bureaucrats? The answer is yes, I do. Does it make sense to apply exactly the same clean air standard of a large powerplant to smaller entities, and so forth? I think most people would agree there are ways to arrive at a judgment about cost and analysis that is fair.

In working on that legislation, I saw how the regulatory process under the guise of regulatory reform can be weakened to the point that the laws of the Congress that we have enacted to protect the public would be effectively repealed. It is partly because of the work that I did at that time that I joined my colleague from Illinois and others. I congratulate my colleague from Illinois for his steadfast effort. We know where we were on this vote, but we also know where we are in what is at stake.

I have serious concerns with this nomination because during that period of time, this nominee strongly supported and helped draft the regulations that I just described and other omnibus regulatory rollback measures that I strongly opposed in the 104th Congress. As Administrator, Dr. Graham will be in a position to profoundly impact a wide range of issues and to execute administratively some of the failed proposals that he has supported previously legislatively.

We all understand what this office is. We understand that OMB Director Daniels has already signaled the amount of increased power that Dr. Graham will have over his predecessor in the Clinton administration.

Let me give an example of one of the ways this would have an influence. The way in which these rules can be obviously skewed to affect things is clear in the work that we have already seen of Dr. Graham. For instance, his approach to risk assessment and cost-benefit analysis, in my judgment, has been weighted, if you look at it carefully, against a fair and balanced judgment of what also ought to be measured about public health and environmental protection itself.

For instance, he focuses on the age of a person saved by a particular safeguard. In doing so, he argues that the life of an elderly person is inherently less valuable than that of a younger person and thus less worthy of protection.

Now, I don’t know how many Americans want to make a judgment about themselves, their grandmother, or grandfather on that basis. But if you weight it sufficiently, you could come out with a judgment on cost that clearly diminishes the level of protection.
Congressional Record—Senate, Volume 147, No. S. 13933, July 19, 2001

In addition to that, you make a judgment that people who die in the future are deemed less valuable than people who die today, as if the prevention after nonfatal adverse health effects or ecological damage. These are things many of us believe ought to be weighted as a component in the balance, and they are not. That is how you wind up skewing the consequences.

I am not telling you that it is inherently wrong, if you want to make a hardened statistical judgment, but I am saying that when the value of life, health, and our environment are discounted too far, then even reasonable protections don't have a prayer of passing muster under any such analysis.

I am concerned with Dr. Graham's preferred methodology in this area, such as comparative risk analysis, would make it extraordinarily difficult for a new generation of safeguards to be approved under his or anybody else's tenure.

In addition, Dr. Graham made his views known on a range of issues, and it is apparent that if the past is a prelude to the future, he would be hostile to a number of important public safeguards. For example, he argued against the EPA's determination that dioxin is linked to serious health problems—a hypothesis that EPA's Deputy Assistant Administrator for Science called "irresponsible and inaccurate." Those are the words of the Deputy Administrator of EPA.

In 1999, Dr. Graham's center published a report funded by the American Farm Bureau Federation that concluded that banning certain highly toxic chemicals would actually increase the loss of life because of disruptions to the food supply caused by a shortage of pesticides to protect crops. If anybody thinks that is an analysis on which we ought to base the denial of regulations, I would be surprised.

However, the report also ignored readily available, safer substitutes. Dr. Graham's center concluded that the EPA overestimated the benefits of clean air protections because most acute air pollution deaths occur among elderly persons with existing cardiac respiratory disease. Under Dr. Graham's approach, the benefits would be lowered to reflect his view that older citizens are worth less than we expect to a number of important public safeguards. In closing, let me acknowledge the fact that Dr. Graham is from my home State of Massachusetts. My office has been contacted by residents who support and residents who oppose this nomination. I have deep respect for many of those who took the time to discuss this with me and my office. I am grateful for friends of mine and friends of Dr. Graham who suggested that I should vote for him. I note that I was contacted by several individuals from Harvard University, which is home to Dr. Graham's center. I heard both points of view. I thank each and every person who took the time to contact my office. I intend to cast my vote absolutely not on personal terms at all but exclusively on the experience I had with the Comprehensive Regulatory Reform Act and based on what I believe is an already-declared intention and a declared willingness of this administration to disregard important safeguards with respect to the environment.

I would like to see a nominee who has a record of a more clear balance, if you will, in the application of those laws. I thank the Chair for the time, and I thank my colleagues.

The Presiding Officer. The Chair recognizes the Senator from Illinois.

Mr. DURBIN. Mr. President, how much time remains on both sides?

The Presiding Officer. The Senator from Illinois controls 25 minutes. The Senator from Tennessee has 31 minutes.

Mr. DURBIN. I say to the Senator from Tennessee, I don't know if a UC is necessary, but I would be prepared to reduce the amount of remaining time if he will join me. I suggest—and he can amend it if he would like—that we ask unanimous consent that we each have 10 minutes and I am given 5 minutes to close and you are given 5 minutes to close. Unless you have other speakers, I would like to make that request.

Mr. THOMPSON. Reserving the right to object, I ask my friend, are you suggesting a total of 15 minutes on each side?

Mr. DURBIN. Yes.

Mr. THOMPSON. I have no objection. The Presiding Officer. Without objection.

Mr. DURBIN. Mr. President, as I understand it, if we can keep to the time we have agreed to, in about a half hour we should reach a vote. I also thank my colleague from Massachusetts, Senator KERRY, for joining me in opposing this nomination.

I will tell you about dioxin. I am not a scientist, and I don't pretend to be. I am a liberal arts lawyer who has practiced politics and political science for a long time. But let me tell you what I have learned about dioxin.

Dioxin is a highly toxic and deadly chemical. According to the National Toxicology Program at the National Institutes of Health, dioxin is the "most toxic manmade chemical on Earth." It is not just very toxic—extremely toxic—it is the most toxic chemical human beings know how to create. It is not manufactured deliberately. There are no commercial uses for it. It is a waste product, a contaminant, the most deadly manmade toxic chemical in existence. And astonishingly, small amounts of dioxin can kill people and animals.

One of the insidious features of dioxin is your body accumulates it, and over time it can reach a toxic level. The World Health Organization and the NIH brand it as a "human carcinogen." If a man came before us and asked to be in charge of the OMB, which rules on safety for the public health and environmental standards of chemicals and pesticides and residues, you would think there would be no doubt in his mind about the danger of dioxin. I think it doesn't seem to be a doubt in the minds of any credible scientist.

John Graham, the man we are considering this evening, not only doesn't question the toxicity of dioxin; he actually thinks it has medicinal qualities. Let me read what John Graham, the nominee before us this evening, has said about dioxin, the most dangerous chemical created by the human race since the 20th century.

It's possible that measures to reduce current average body burdens of dioxin further could actually do more harm for public health than good.

That is interesting. Then he goes on to say:

I think there would be also merit in stating not only that TCDD (dioxin) is a carcinogen, but also I would put it in the category of a likely anti-carcinogen.

Where did he say that? Was that a casual statement that someone picked up on a tape recorder? No. It was a statement to the EPA Science Advisory Board on November 1 and 2 of the year 2000. John Graham, gatekeeper, rules and regulations, protecting American families from health risks—he thinks dioxin, the most dangerous chemical known to man, a known carcinogen, actually stops cancer.

It's just what other researchers have said.

The National Institutes of Health: "Dioxin is a known human carcinogen."
EPA: “The promulgation of this theory that dioxin is an anti-carcinogen hypothesis is irresponsible and inaccurate.”

That John Graham, whom President Bush’s wants to put in a position to judge questions of public health and safety, who has said on the record and acknowledges he is not a chemist, not a biologist, he is not a toxicologist, not a medical doctor, could stand before the EPA’s Science Advisory Board and tell them dioxin could stop cancer is almost incredible. It is incredible he would be nominated for this job after he said it. That is what we face this evening.

People have come before us and said it is all about measuring the dollar value of rules and regulations with the risk involved. Let me repeat, I do not quarrel with that premise, but I do believe the person making the measurement should be engaged in sound science, and in this situation we have a man with advanced degrees in public policy who goes around telling us that dioxin, the most dangerous chemical created on the Earth, can cure cancer. I do not know how we can really look at that statement and this nomination and ignore the simple fact. Why would he say something such as that? Because he has made his life work representing corporate interests, industries, and manufacturers who want to reduce the standards when it comes to environmental protection. He has been in States such as Louisiana, Alabama, and Maine testifying on behalf of one of his major clients, the paper industry—which, incidentally, discharges dioxin from paper mills—saying you should not be that concerned about dioxin. He is a chorus of one in that belief.

Thank goodness the State of Maine rejected his point of view and said that they would have zero tolerance for dioxin, despite John Graham’s arguments to the contrary.

In his testimony for these companies, Graham stated:

Based on a comparison of breast cancer screening programs and other cancer prevention programs, dioxin standards “would be a poor investment in cancer prevention.”

That is what it comes down to. He does not want to get into this argument on the merits of dioxin, and cancer, other than these few outrageous statements. There is no better way to spend the dollars. In Maine and other States they were trying to decide what is a safe amount of dioxin that we might release in streams that may accumulate in the fish or the children who eat the fish or the people who drink the water. They will find a way out for his corporate clients.

Thank goodness the State of Maine rejected his point of view. The New York Times said it came out with the toughest standards in the Nation when it came to protecting the people of Maine from dioxin contamination.

The same man who said pesticides on fruits and vegetables were not a public health hazard, the same man who finds in dioxin some medical merit, wants to now be the last word in Washington on rules and regulations on safety and public health.

Excuse me; I think President Bush can do better; I think America can do better, better than this man.

A lot of people have talked about the endorsements he received. No doubt he has. We received a letter originally sent to Senator THOMPSON on May 17, 2001, from those who are members of the faculty who work with John Graham and know of him at Harvard University, and others who have worked with him in the past. This group which signed the letter includes Dr. Chivian, director of the Center for Health in Global Environment at Harvard Medical School who shared the 1985 Nobel Peace Prize, and the list goes on and on, from Johns Hopkins to the University of Pittsburgh School of Medicine, dean of the School of Public Health at UCLA. What do they have to say about John Graham?

It is a cardinal rule of scientific research to avoid at all costs any conflict of interest that could influence the objectivity of one’s findings. This rule takes on added significance in the context of biomedical and public health research, for peoples’ lives are at stake.

For more than a decade, John Graham, Director of the Center for Risk Analysis at the Harvard School of Public Health and candidate for position of Director of the Office of Information Regulatory Affairs at the Office of Management and Budget, has repeatedly violated this rule. Time and again, Professor Graham has accepted money from industries while conducting research and policy studies on public health regulations in which those industries had vested interests. Not surprisingly, he has consistently produced reports, submitted to Congress, and made statements to the media that have supported industry positions, frequently without disclosing the sources of his funding.

They give some examples:

Soliciting money from Philip Morris while criticizing the EPA’s risk assessment on the dangers of secondhand smoke;

Greatly overestimating the costs of preventing leukemia caused by exposure to benzene in gasoline while accepting funds from the American Petroleum Institute;

Downplaying EPA’s warnings about cancer risk from dioxin exposure while being supported by several major dioxin producers, including incinerator, pulp, and paper companies;

While simultaneously talking on cell phones in research underwritten by a $300,000 grant by AT&T Wireless communications.

Major spokesman before Congress on behalf of industries’ “regulatory reform” agenda, while being supported by large grants of unrestricted funds from chemical, petroleum, timber, tobacco, and automobiles, electric power, mining, pharmaceutical, and manufacturing industries.

They continue:

We, the undersigned, faculty members at schools of medicine and public health across the United States, go to great pains to avoid criticizing a colleague in public. Indeed, in most circumstances we would rejoice over the nomination of a fellow public health professional for a senior position. Yet, in examining the record of John Graham, we are forced to conclude there is such a persistent pattern of conflict of interest, of obscuring and minimizing dangers to human health with questionable cost-benefit analyses, and of hostility to governmental regulation in general that he should not be confirmed for the job.

The PRESIDING OFFICER (Mr. DORGAN). The Chair advises the Senator from Illinois he has 5 minutes remaining.

The Chair recognizes the Senator from Tennessee.

Mr. THOMPSON. I thank the Chair. Mr. President, in listening to the criticism of Dr. Graham and the implicit suggestion that he is a little less than a menace to society and that his opinions are for sale, my first reaction is that it is a very bad reflection on Harvard University that has let this kind of individual roam the streets for the last 15 years. They obviously are not aware of what he is doing.

It makes me wonder also why a professor at the University of Chicago Law School would say “in emphasizing that environmental protection sometimes involves large expenditures for small gains, Graham is seeking to pave the way with more sensible regulation.” I wonder, in listening to why former EPA Administrator Mr. Reilly would say: Graham would help ensure the rules implementing our environmental laws are as effective and efficient as they can be in achieving their objectives.

I am wondering in light of this man’s ridiculous notions concerning scientific matters, matters of chemistry, for example, which we acknowledge we do not know anything about—we are not experts—we criticize him for not being an expert in his area, we criticize this Ph.D. scientist from Harvard for not knowing his subject matter, then we launch into a rendition of his deficiencies for his scientific analysis.

Mr. President, we are wading in way over our heads in criticizing Dr. Graham for his scientific analysis based upon excerpts, based upon false characterizations, based upon unfair characterizations of what he has said and what he has done, and we will deal with some of those.

Again, I wonder if there is any semblance of truth of this man who has headed up the Harvard Center for Risk Analysis, who has been associated with
Harvard for 15 years, who has received the endorsements of Democrats and Republicans alike, who has received the endorsement of the last person who served in this position, who are from the Clinton administration, who has received endorsements from some of the foremost authorities in the areas involved, who has received endorsements from scientists around the country, and I wonder why the dean of academic affairs for the Harvard School of Public Health would say that Dr. Graham is an excellent scientist who has encouraged rationality in the regulatory process.

I wonder why a professor at Rollins School of Public Health would say: Often these public health issues are approached in a partisan way, but Dr. Graham is dedicated to using careful analysis to weigh the costs and benefits, et cetera. Dr. Hemmengway, director of Harvard Injury Control Research Center: Dr. Graham’s interest is in improving the Nation’s health in the most cost-effective manner. I am wondering why all these people could be so wrong. You are going to find people who disagree with anybody, and I respect that people have differences of opinion. I wish it were sufficient to argue on the basis of those differences of opinion, on the basis of the basis of the science that is involved to the extent that we can, as nonscientists, but instead of doing that, what I would call basically a know-nothing kind of approach to a very complex series of scientific decisions with which we are dealing, and placing an unfair characterization on them.

I guess the one dealt with the most is dioxin. We would be led to believe that Dr. Graham’s statements with regard to dioxin are outrageous. Why? Not because of any scientific knowledge we have or that has been presented on the floor of the Senate but because everybody knows dioxin is a bad thing. If he says any amount of it is not carcinogenic, he must not know what he was talking about.

I was looking at the testimony that Dr. Graham gave before our committee. He was asked by Senator Duren: Do you believe that exposure to dioxin can increase your likelihood of cancer? Mr. GRAHAM: Thank you for reminding me. I think that at high doses in laboratory animals, there is clear evidence that dioxin causes cancer.

Then he says:

In humans, I think the database is more mixed and difficult to interpret.

With regard to the low levels of dioxin not being carcinogenic, I refer to the testimony before the Science Advisory Board panel recommends that the totality of evidence concerning this phenomenon continues to be evaluated by the agencies as studies become available.

This consensus conclusion by the panel is almost exactly in accord with Mr. Graham’s stated position at the public meeting: the other adverse effects at the very low doses we are talking about are noncancerous. He is trying to be a responsible scientist.

By placing so much emphasis on the low doses, we, because of the cancer issue, are missing the boat on the noncancer problems that dioxin causes. I don’t have enough time to go into all of the detail on this, but I think we can see how unfair the characterization has been made with regard to this documented issue. We have a counterintuitive situation that Senator LEVIN pointed out with regard to thalidomide. Who would think doctors today would prescribe thalidomide under certain circumstances?

At a Governmental Affairs Committee hearing a couple of days ago, a couple of scientists attending from the National Academy of Sciences had just done a study on global warming. They pointed out certain aerosols released into the atmosphere, which we all know is a bad thing, can actually have a cooling effect in the atmosphere. We are all concerned about global warming, and this has a cooling effect. Does this mean we need to release a lot of additional aerosol? Of course not. It does not mean that. It is a scientific fact that needs to be taken into consideration.

I am sure, somewhere, if ever nominated for political office, anyone will take that statement from our hearings yesterday saying that these idiots believe we ought to be releasing aerosols in the atmosphere because it can have a cooling effect. I hope that does not happen. Unfortunately, it is sometimes the cost of public service today.

It is pointed out this man is anti-EPA and that some official somewhere at some time in the EPA has disagreed with his assessment. EPA partially funded this man’s education. EPA contracted with him to do work, as we speak—not since he has been nominated. The center at Harvard has been hired by EPA to do work.

I should rest my case at that point. Of course, we never do when we should, so I will continue that fine tradition. I do have another point to make, in all seriousness, that is what this is about, which is Dr. Graham has been caught up in the debate over cost-benefit analysis. There are certain people in this country who are sure the interests are noble—who band together, who believe all regulations are good by definition; that there should be no questions asked about those regulations; that we should not take into account possible costs to society, whether they be tangible costs in dollars and cents or intangible costs; but, having taken into account whether resources could be better used for more significant environmental problems; should not take into account unintended consequences or any of those things; and that no one should ever band together something that challenges the common wisdom with regard to these issues, and we should only listen to sciences and promote the regulations.

When times like this come about, they band together and pull excerpts together to try to defeat people who want to bring rationality to the regulatory process.

I think they harm sensible, reasonable legislation, where moderate, reasonable people certainly want to protect us, protect this country, and protect our citizens, but, at the same time, know we are not doing our citizens any favor if we are using our resources in a way that is productive.

For example, it is proven we have been spending money on regulations pertaining to water, when the real risk was not being addressed. Some of the money should have been placed elsewhere in our water program.

How much time remains?

Mr. THOMPSON. I think that is what has happened. It has to be recognized we make the cost-benefit tradeoffs all the time. If we really wanted to save lives at the exclusion of consideration of cost to society, we would take all the automobiles off the streets and not allow anybody to drive. We know the examples, I am sure, all of us, by heart. Or we would make people drive around in tanks instead of automobiles.

The need for tradeoffs makes it hard to make. They need to be done in the full context of the political discourse by responsible people with proven records. I suggest that is the nominee we have before the Senate.

I yield the floor.

Mrs. CARNANAN. Mr. President, the Administrator of the Office of Information and Regulatory Affairs, OIRA, within the Office of Management and Budget has the important duty of reviewing the regulations issued by all Executive Branch agencies. These regulations are critical to environmental protections, worker safety, public health, and a host of other issues. I have carefully reviewed the credentials of Dr. John Graham for this position and his testimony before the Government Affairs Committee. I support Dr. Graham’s nomination to be the Administrator of OIRA.

Dr. Graham brings a wealth of experience and expertise to take on this position, including the use of cost-benefit analysis as a tool in evaluating regulations. As my colleagues know, the Clinton administration issued an Executive Order
requiring the use of cost-benefit analysis to inform regulatory decision-making. I have no objections to the use of cost-benefit analyses to address environmental problems, but the exclusive focus on cost-benefit analysis is not carried too far. After all, we should not implement regulations if the costs of compliance grossly exceed the benefits the regulation would produce. It is appropriate for cost-benefit analysis to be one factor, but not the exclusive factor, in making regulatory decisions.

Dr. Graham’s testimony indicates that he shares this approach. While I may not agree with Dr. Graham’s application of cost-benefit analysis in every instance, I believe that President Bush is entitled, within the bounds of reason, to have someone in this position that shares his approach to governing. In my view, Dr. Graham fails within this criteria.

Mr. President, I rise in support of the confirmation of John D. Graham to be Administrator of the Office of Information and Regulatory Affairs.

Dr. Graham has been a Professor of Policy & Decision Sciences at the Harvard School of Public Health since 1991, and is the Director of the Harvard Center for Risk Analysis. Prior to that, he was an assistant professor and then associate professor at Harvard. Graham holds a B.A. in Economics and Politics from Wake Forest University, an M.A. in Public Affairs from Duke University, and a Ph.D. in Urban and Public Affairs from Carnegie-Mellon University where he was an assistant professor for the 1984-1985 academic year.

Given OIRA’s responsibility for ensuring that government regulations are drafted in a manner that reduces risk without unnecessary costs, Dr. Graham’s qualifications to head the agency are unquestionable. Since his nomination, he has come under fire for his work at the Harvard Center for Risk Analysis. Some who oppose Dr. Graham, also oppose the use of comparative risk analysis as one of many tools to be used in determining environmental policy. That is unfortunate, because the use of science and cost-benefit analysis is vital if we are to adequately address our nation’s most challenging environmental concerns.

I believe risk analysis and comparative risks give us much needed information to better understand the potential consequences and benefits of a range of choices. We all recognize that there aren’t enough resources available to address every environmental threat. The Federal Government, States, local communities, the private sector, and even non-governmental organizations will have to target their limited resources on the environmental problems that present the greatest threat to human health and the environment. Our focus, therefore, is, and should be, on getting the biggest bang for the limited bucks.

Comparative risk analysis is the tool that enables us to prioritize the risks to human health and the environment and target our limited resources on the greatest risks. It provides the structure for decision-makers to: One, identify environmental hazards; two, determine whether there are risks posed to humans or the environment; and three, characterize and rank those risks. Risk managers can then use that analysis to achieve greater environmental benefits.

Last year, as the Chairman of the Environment & Public Works Committee, I held a hearing on the role of comparative risk in setting our policy priorities. During that hearing, we heard how many states and local governments are already using comparative risk assessments in a public and open process that allows cooperation, instead of confrontation, and encourages dialogue and negotiation. States are setting priorities, developing partnerships, and achieving real results by using comparative risk as a management tool. They are using scientifically sound methods to maximize environmental benefits with limited resources. I believe we should encourage and promote these successful programs.

It is important that this nation have someone like Dr. Graham to lead the Office of Information and Regulatory Affairs. We must use reliable scientific analysis to guide us in our decision making process when it comes to environmental regulations. Dr. Graham’s resume and record prove that he is the optimal person to head the office that will be making many of those decisions. Every Republican and Democrat, who has held the position of OIRA Administrator, except for two who are now federal judges and prohibited from doing so, have urged Senate action on his nomination. I sent a letter to the Committee Chairman and Ranking Member that, “we are confident that [Dr. Graham] is not an ‘opponent’ of all regulation but rather is deeply committed to seeing that regulation serves broad public purposes as effectively as possible.”

I am a strong proponent of protecting and preserving our environment—my record proves that fact. I am also a strong believer that we must use science and cost-benefit analysis in making environmental decisions. Science, not politics, should be our guide. We must focus our efforts in a manner that assures the maximum amount of environmental protection at the lowest possible cost. Scientific analysis allows us to make good decisions and determine where to focus our resources to ensure that our health and a clean environment are never compromised.

Mr. President, I urge my colleagues to support John Graham for Administrator of the Office of Information and Regulatory Affairs.

Mr. FEINGOLD. Mr. President, today the Senate will vote to confirm John Graham to be the head of the Office of Information and Regulatory Affairs at the Office of Management and Budget. Though I will vote for Mr. Graham, much of the information that has been presented during the nominations process to the Governmental Affairs Committee by labor, environmental, and public health organizations and other respected academics creates concerns regarding this nominee and I want to share my views on the concerns that have been raised.

The individual charged with the responsibility to head OIRA will indirectly set the direction of our national policies for our natural resources, labor and safety standards. I have tried, as a member of this body, to cast votes and act in the best interest of the American people, to provide advice and consent with respect to the President’s nominees for Cabinet positions. I believe that the President should be entitled to appoint his own advisors. I have evaluated Presidential nominees with the view that, in rare cases, ideological alone should not be a sufficient basis to reject a Cabinet nominee. Mr. Graham is not a nominee for a Cabinet post. The Office of Management and Budget, OMB, is housed within the Executive Office of the President, making Mr. Graham one of the President’s closest advisors. I believe that the President should be accorded great deference by the Senate on the appointment of this advisor.

During the nominations process, I have been disturbed to learn of the fears that Mr. Graham will not live up to his responsibility to fully implement regulatory protections. I am particularly troubled by concerns that he may allow special interests greater access to OMB, and therefore greater influence in OMB’s deliberations. The concerns that have been raised are that Mr. Graham will allow special interests another opportunity to plead their case during final OMB review of regulations and may permit changes to be made to regulatory proposals that those interests were unable to obtain on the merits when the regulations were developed and reviewed by the federal agency that issued them. I also have been concerned about allegations that Mr. Graham’s background might cloud his judgement and objectivity on a number of regulatory issues and place him at odds with millions of Americans including members of the labor, public interest and conservation community and with this Senate.

During the 1980s, OIRA came under heavy criticism for the way in which it conducted reviews of agency rules. The
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public was concerned that agency rules would go to OIRA for review and some times languish there for years in some cases with little explanation to the public. Rather than a filter for regulation, it became a graveyard.

Shortly after taking office, President Clinton responded to this problem by issuing Executive Order 12866. This order set up new guidelines for transparency—building on a June 1986 memorandum by former OIRA Administrator Wendy Gramm—that have helped bring accountability to OIRA. Mr. Graham champions. With my vote for this nominee, I am calling for a commitment from him. I believe that it is essential that he maintain this transparency, and even strengthen it, in this Administration. Mr. Graham, having been the center of a controversial nominations proceeding should be the first to call for letting sunshine disinfect OIRA under his watch.

At his confirmation hearing before the Senate Governmental Affairs Committee, the new OMB Director Mitch Daniels offered general support for transparency and accountability, but refused to endorse specifically key elements of President Clinton's executive order. At that time, Mr. Daniels would only commit to work with the Committee should the Administration decide to alter Executive Order 12866.

Now that President Bush has nominated John Graham as administrator of OIRA, and he is being confirmed today, this Senate must receive more specific assurances regarding transparency and accountability. OIRA is an extremely powerful office that has the power to approve or reject agency regulations. This makes it critical that OIRA's decision-making be open to public scrutiny. I agree strongly with the sentiments expressed in today's Washington Post editorial: . . . conflicts of interest must be taken seriously if there is to be any chance of building effective cost-benefit efforts. At a minimum, the experts who carry out these analyses need to disclose their financial interests (as Mr. Graham's center did), and analysts with industry ties should not dominate government advisory panels. There may be room for dispute as to what constitutes "ties"—should an academic who accepted a consultancy fee 10 years ago be viewed as an industry expert?—but conflict-of-interest rules should err on the strict side.

The Post editorial continues,

Mr. Graham's acceptance of industry money opened him to opportunistic attacks from those who favor regulation almost regardless of its price. The lesson is that those who would impose rigor on government must observe rigorous standards themselves. Even apparent conflicts of interest can harm the credibility of the cost-benefit analyses that Mr. Graham implemented.

In the days following his confirmation, Mr. Graham should aggressively affirm OIRA's public disclosure policies and make clear the office's continued commitment to transparency. Executive Order 12866 requires that OIRA maintain a publicly available log containing all regulatory actions, including a notation as to whether Vice Presidential and Presidential consideration was requested, a notation of all written communications between OIRA and outside parties, and the dates and names of individuals involved in all substantive oral communications between OIRA and outside parties. Moreover, once a regulatory action has been published or rejected, OIRA must make publicly available all documents exchanged between OIRA and the issuing agency during the review process. Mr. Graham must continue this disclosure policy, and he should expand it to make the information more widely accessible, and make the logs available through the Internet.

Executive Order 12866 gives OMB 90 days to review rules. OMB may extend the review one time only for 30 days upon the written approval of the OMB Director and upon the request of the agency head. Mr. Graham should make clear that OIRA will stick to this time frame for reviews. Moreover, OMB has invested in making this 90 day clock an action that can be tracked by the public, which must continue. Currently, the OMB web site documents when a rule is sent to OIRA, the time it took to act on the rule, and the OMB disposition. Mr. Graham should have the ability to improve the public's access to this information by making the web site searchable by agency, rule, and date, rather than posting the information in simple tabular form.

Executive Order 12866 requires OMB to provide a written explanation for all regulations that are returned to the agency, "setting forth the pertinent provision of the Executive Order on which OIRA is relying." OIRA must provide additional justification for returned rules, and Mr. Graham should consider expanding this policy to require written justification for any modifications that are made to a rule.

Mr. Graham must take particular care in the area of communications with outside interests and set the tone for OIRA staff actions in this regard. Executive Order 12866 directs that only the administrator of OIRA can receive oral communications from those outside government on regulatory reviews. Mr. Graham should continue this standard and be stringent that this standard be employed for all personnel working in Executive Office. The policy directs OIRA to forward an issuing agency all written communications between OIRA and outside parties, as well as "the dates and names of individuals involved in all substantive oral communications." Moreover, affected agencies are also to be invited to any meetings with outside parties and OIRA. These are important procedures that protect the integrity of our regulatory system.

Beyond this, however, Mr. Graham should rigorously guard against conflict of interest, present or the appearance of a conflict of interest. He is entering into a position that will, in many ways, act as judge and jury for the fate of proposed regulations. He should, like those arbiters, guard carefully his objectivity and his appearance of objectivity.

I have reviewed these procedural issues because they are critical to maintaining public confidence in OIRA's functioning. I hope that Mr. Graham will bring mind to my concerns, and that he will embrace his duty to take into account the future and foreseeable consequences of his actions. I also hope that he will be guided by the knowledge that this Senator will scrutinize those consequences, and will look very carefully at the question of special interest access to OMB at every appropriate time.

Ms. COLLINS. Mr. President, I support the nomination of Dr. John Graham to be Administrator of the Office of Information and Regulatory Analysis at the Office of Management and the Budget. Dr. Graham has been a leader in the nonpartisan application of analytical tools to regulations in order to ensure that such rules really do what policymakers intend and that they represent the most effective use of our Government's limited resources.

As a professor at the Harvard School of Public Health and founder of the Harvard Center for Risk Analysis, Dr. Graham has devoted his life to seeing that regulations are well crafted and effective—and that they help ensure that our world is truly a safer and cleaner place.

The alleged "conflicts of interest" argued by some of Dr. Graham's opponents are clearly baseless. The Harvard Center has some of the strictest conflict of interest rules. In fact, Dr. Graham has complied fully with them. It is absurd to suggest that the bare fact of corporate research sponsorship creates a conflict. By that standard, most of the studies produced in America's universities and colleges are worthless, and few academics can ever again be found suitable for public office. Dr. Graham's critics miss their mark.

I have had the opportunity to receive input from many knowledgeable sources about Dr. Graham's nomination. One of these is Maine State Toxicologist Andrew Smith. Dr. Smith studied with Dr. Graham at Harvard and has subsequently served as a staff scientist in an organization opposed to the Graham nomination. He has told us, however, that Dr. Graham approaches regulatory analysis with an open mind and is "by no means an apologist for anti-regulation." Even a quick glance at Dr. Graham's record bears this out.

Like other members of the Governmental Affairs Committee, I do not
need to rely solely on second-hand information about Dr. Graham. I myself was able to work with Dr. Graham on regulatory reform legislation that had strong bi-partisan support. My personal experience in working with him confirms that what his supporters say is true: he has the experience, integrity, and intelligence to be an excellent Administrator the Office of Information and Regulatory Analysis has ever had.

Mr. President, the Senate should vote to confirm John Graham.

Mr. REID. Mr. President, I rise today to express my strong concerns regarding the President’s nominee to head the Office of Information and Regulations at the Office of Management and Budget—John Graham.

This office oversees the development of all Federal regulations. The person who leads it holds the power to affect a broad array of public health, worker safety and environmental protections.

As any of us who have felt passionately about an issue know, this is often difficult—if not impossible—to do.

It might be like asking me to argue against nuclear safety controls and protections. I can tell you I couldn’t do it.

And my concern today is that John Graham will not be able to put aside his passionate and long-standing opposition to public health, worker safety and environmental protections.

As noted by my colleagues have outlined, the nominee has argued in his writings that certain regulations are not cost-effective and don’t protect the public from real risks.

He makes that judgment based upon radical assumptions about what a human life is worth—assumptions that fail to account for the benefits of regulation. His assumptions are well outside of the mainstream.

The nominee concludes that those who fail to reallocate government resources to other more cost-effective actions are, in his words, guilty of “statistical murder.”

And who did John Graham find to be guilty of statistical murder—opponents of Yucca Mountain.

This is what the nominee had to say about it:

The misperception of where the real risks are in this country is one of the major causes of what I call statistical murder. . . . We’re paranoid about . . . nuclear waste sites in Nevada, and that preoccupation diverts attention from real killers.

Can Nevadans rely upon John Graham to impartially weigh decisions regarding Yucca Mountain when he views their concerns as “paranoid” and considers measures to address those concerns as equivalent to murder?

And the nominee’s strong views aren’t limited to Yucca Mountain.

Dr. Graham downplayed the risks of second-hand smoke while soliciting money from Philip-Morris. He overestimated the cost of preventing leukemia caused by exposure to benzene in gasoline while accepting funds from the American Petroleum Institute. He even downplayed the cancer risk from dioxin exposure while being supported by several dioxin producers.

This last item is perhaps the most troubling of all. Virtually since entering Congress, I have fought on behalf of the victims of Agent Orange who have suffered from cancer and other terrible illnesses caused by exposure to dioxin. There is absolutely no question that this chemical is a known carcinogen with many devastating health effects. Yet remarkably, with funding from several dioxin producers, Dr. Graham suggested that exposure to dioxin could actually protect against cancer.

I also question the analytical methods Dr. Graham uses in his studies. He contends that the cost of regulations should be the primary factor we consider, instead of the benefits they provide for health or safety. This position is totally inconsistent with many of our basic health, workplace safety and environmental laws. After all, we may be able to calculate the value of putting a scrubber on a smokestack, but how do you assign a value to a child not getting asthma? We can calculate the value of making industries treat their waste water, but what is the value of having lakes and streams in which we can swim and fish?

If Dr. Graham brings this way of thinking to OIRA, I can only conclude that it will lead to a profound weakening of the laws and regulations that keep food safe, and our air and water clean.

The director of this office must have unquestioned objectivity, good judgement and a willingness to ensure that the laws of the Nation are carried out fairly and fully. I regret to say that Dr. Graham’s record has led me to conclude that he cannot meet these high standards.

Dr. Graham currently heads the Harvard Center for Risk Analysis, and in this capacity he has produced numerous studies analyzing the costs and benefits of Federal regulations. These studies raise serious and troubling questions about the way in which Dr. Graham would carry out his duties.

First and foremost, I am concerned that Dr. Graham has consistently ignored his own conflicts-of-interest in the studies he has conducted, and that he had not demonstrated an ability to review proposed regulations in an even-handed manner. Time after time, he has conducted studies of regulations affecting the very industries providing him substantial financial gain. Without fail, his conclusions support the regulated industry.

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office which literally will make a decision on rules and regulations which will have an impact on families not only today but for generations to come.

During the course of this debate, we have come to the floor and spelled out how Mr. John Graham has been more than just a person making a mathematical calculation about the cost of a regulation and whether it is warranted. He has held himself out to have scientific knowledge about things that are, frankly, way beyond his education. He is a person who has written in one of his books with the forward by Cass Sunstein, who has been quoted at length on the floor here supporting Mr. Graham, that he thinks in comparison to today's fertilizers, DDT is relatively nontoxic.

Of course, that is a view that has been rejected not only by the World Health Organization but by 90 nations, and banned with only two nations in the world making DDT.

For John Graham, there is doubt. He sees no need on pesticides for fruit and vegetables, but the National Academy of Sciences, the National Institutes of Health, Consumers Union, and others say he is just plain wrong.

We have heard and read his statements on dioxin, which the Senator from Tennessee has valiantly tried to reconstruct here so they do not sound quite as bad, but it is the most dangerous toxic chemical known to man, and John Graham, the putative nominee here, thinks it has medicinal qualities. He is alone in that thinking. The EPA said his statement was irresponsible and inaccurate. They read it, too. He did not have his defense team at work there. They just read it and said from a scientific viewpoint it was indefensible.

What is this all about? What is the bottom line? Why is this man being nominated? Don't take my word for it. Go to the industry sources that watch these things like a hawk: the Plastic News, the newsletter of the plastic industry in America, May 7, 2001, about Mr. Graham:

He could lend some clout to plastics in his new job. The job sounds boring and inside the beltway, but the office can yield tremendous behind-the-scenes power. It acts as a gatekeeper of Federal regulations ranging from air quality to ergonomics. It has the authority to make this office more important than it was in the Clinton administration, elevating it to its intended status.

They have a big stick. If the President in office allows them to use it and if they have someone in office who knows how to use it. How would they possibly use it?

Do you remember arsenic in drinking water, how the administration scrambled away from it as soon as they announced it, and the American people looked at it in horror and disgust, that they would increase the tolerance levels of arsenic in drinking water? During the course of the Governmental Affairs hearing, we asked Dr. Graham, who tells us all about DDT and pesticides and dioxin, what he thought about arsenic. He said he didn't have an opinion.

Let me give you a direct quote. I want the RECORD to be complete on exactly what he said here. I asked him:

You have no opinion on whether arsenic is a dangerous chemical?

Professor Graham replied:

I haven't had experience dealing with the arsenic issue, neither the scientific level nor the cost-effectiveness level of control.

You have an open mind, my friend. Give him this job and he will have an open mind about arsenic in drinking water. He has an open mind about pesticides on fruits and vegetables. He has an open mind about dioxin and its medicinal purposes. He has an open mind about the future of DDT in comparison with other chemicals. And this is the man we want to put in control, the gatekeeper on rules and regulations about public health and safety and the environment?

That is why I have risen this evening to oppose this nomination. I thank my colleagues and all those who participated in this debate. I appreciate their patience. I know we have gone on for some time, but this much I will tell you. If Mr. Graham is confirmed, and it is likely he will be, he can rest assured that many of us in this Senate will be watching his office with renewed vigilance. To put this man in charge of this environmental protection. We are going to get decent people to come into this thankless jobs to do them if we are going to see the confluence of scientific work on the one hand and the political process on the other produce such an ugly result.

I think we need to ask ourselves that question. I think we need to ask ourselves also whether or not we want to have these decisions based upon sound scientific analysis, one that is endorsed by all of the people who endorsed Dr. Graham, and say that analysis, that sound analysis that will work to our benefit.

I have a chart of all the areas where lead and gasoline, sludge, drinking water—where Dr. Richard Morganstein, economic analyst at the EPA, has shown where cost-benefit analysis, the kind that Dr. Graham proposes, has been beneficial both from a cost standpoint and increasing benefits. Let's not get into an anti-intellectual no-thing kind of mode here and try to label these fine scientists and this fine institution with labels that do not fit and are not deserved.

I sincerely hope my colleagues will vote for this nomination.

Mr. REID. Is all time yielded back?

The PRESIDING OFFICER (Mr. BAYH). All time has expired.

LEGISLATIVE SESSION

Mr. REID. Mr. President, I ask unanimous consent that the Senate now re-sume legislative session.

The PRESIDING OFFICER. Without objection it is so ordered.

ORDER OF PROCEDE

Mr. REID. Mr. President, I ask unanimous consent that the Senate turn to
the consideration of the legislative branch appropriations bill, S. 1172; that the only amendments in order be a managers' amendment and an amendment by Senator SPECTER; that there be 10 minutes for debate on the bill and the managers' amendment, equally divided between the two managers, Senators DURBIN and BENNETT; that there be 5 minutes for debate for Senator SPECTER; that upon the disposition of these two amendments, the Senate proceed to third reading and vote on final passage of S. 1172; that when the Senate receives from the House of Representatives their legislative branch appropriations bill, the Senate proceed to its immediate consideration; that the text of the bill relating solely to the House remain; that all other text be stricken and the text of the Senate bill be inserted; provided that if the House inserts matters relating to the Senate under areas under the heading of "House of Representatives" then that text will be stricken; that the bill be read the third time and passed, and the motion to reconsider be laid on the table; that following the vote tonight on the Senate legislative branch appropriations bill, the Senate return to executive session and vote on the Graham nomination, followed by a vote on the Ferguson nomination, with 2 minutes for debate equally divided between these two votes; that the motions to reconsider be laid on the table, the President be immediately notified of the Senate's action; the Senate then return to legislative session, that S. 1172 remain at the desk and that once the Senate acts on the House bill, passage of the Senate bill be vitiated and it be returned to the calendar.

I further ask unanimous consent that after the first vote, the subsequent two votes be 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Tennessee.

Mr. THOMPSON. At the appropriate time I will ask for the yeas and nays on the Graham nomination.

LEGISLATIVE BRANCH
APPROPRIATIONS ACT, 2002

The PRESIDING OFFICER. Under the previous order, the clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1172) making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, and for other purposes.

Mr. DURBIN. Mr. President, pursuant to the unanimous consent request which was just allowed regarding proceedings for the full committee.

I am pleased to present to the Senate the fiscal year 2002 legislative branch appropriations bill, as reported by the full committee.

I thank Senator BYRD for his support, the high priority he has placed on this bill. He has provided an allocation which has ensured we could meet the highest priorities in the bill. In addition, I wish to thank the ranking member of the full Committee Senator STEVENS who has been actively involved in and very supportive of this bill.

I am grateful to my ranking member, Senator BENNETT, for his important role in this process and his excellent stewardship of this subcommittee for the past 4 ½ years.

The fact is that this bill bears the imprint of Senator BENNETT and his hard work in keeping an eye on this particular appropriations bill. I was particularly technology policy related to this bill to the floor. I couldn't have done it without him. I appreciate all of his assistance.

The bill before you today totals $1.94 billion in budget authority and $2.03 billion in outlays—$833 million, 5.6 percent—over the fiscal year 2001 enacted level and $104 million or 5 percent below the request level.

The bill includes $1.1 billion in title I, Congressional Operations, which is $88 million below the request and $123 million above the enacted level.

For title II, other agencies, a total of $384 million is included, $15 million below the request and $20 million below the enacted level.

The support agencies under this subcommittee perform critical functions enabling Congress to operate effectively. We have sought to provide adequate funding levels for these agencies—particularly the Library of Congress, the General Accounting Office, the Capitol Police, and the Congressional Budget Office.

For the Library of Congress and the Congressional Research Service, the bill includes $453 million. While this is $86 million below the enacted level, the decrease is attributable to last year's one-time appropriation for the digital preservation project.

The recommendation for the Library will enable the Congressional Research Service to hire staff in some critical areas. I am particularly concerned about the Library of Congress's areas—particularly technology policy.

In addition, a significant increase is provided for the National Digital Library within the Library of Congress, including information technology infrastructure and support to protect the investment that has been made in digital information.

Also in the Library's budget is additional funding to reduce the Law Library arrearage, funding for the newly authorized Veterans Oral History Project, and funds to support the preservation of and access to the American Folklife Center's collection.

For the General Accounting Office, a total of $419 million is included. This level will enable GAO to reach their full authorized staffing level. The total number of employees funded in this recommendation is 3,275 while we would put GAO at their fiscal year 1999 level and is well below their fiscal year 1995 staffing level of 4,342 FTE.

A total of $125 million is provided for the Capitol Police. This is an increase of $19 million over the enacted level. This will provide for 79 additional officers above the current level, which conforms with security recommendations, as well as related recruitment and training efforts.

It will also provide comparability for the Capitol Police in the pay scales of the Park Police and the Secret Service-Uniformed Division so the Capitol Police are able to retain their officers.

The Architect of the Capitol's budget totals $177 million, approximately $8 million above the enacted level, primarily for additional worker-safety and financial management-related activities.

We have sought to trim budget requests wherever appropriate and where we have identified problem areas. The most significant difference from the budget request is a reduction of $67 million from the Architect of the Capitol—$42 million of which is attributable to postponement of the Capitol Dome project pursuant to the request of the Architect.

We have appropriated money for the painting of the Dome to preserve it. We believe that we can get into this important building project in another year or so.

We have also recommended some very strong report language within the Architect's budget, directing them to improve their management with particular attention to worker safety, financial management, and strategic planning. I am very troubled by the Architect's operation and intend to work to make much-needed changes. I hope this language sends a strong message to the Architect that we expect major overhauls of this agency—especially in the areas of worker safety and financial management.

We have made it clear to the Architect of the Capitol that the rate of worker injury is absolutely unacceptable in the Architect of the Capitol, which is four times the average rate of the Federal Government. This must end, and we will work to make it end.

Also included is approximately $6 million for the Botanic Garden, which is to open in November 2001.

For the Government Printing Office, a total of $110 million is included, of which $81 million is for Congressional printing and binding. The amount recommended will provide for normal pay and inflation-related increases.

For the Senate a total of $603.7 million is included. This represents an increase of $81.7 million above the current level and $14 million below the request.
Of the increase, $24 million is needed to meet the Senate funding resolution, another $24 million is associated with information technology-related activities such as the digital upgrade and studio digitization of the Senate recording studio, and the balance is attributable primarily to anticipated increases for agency contributions and cost-of-living adjustments.

This is a straight-forward recommendation and I urge my colleagues to support it.

With respect to the manager's amendment, it includes a provision on behalf of Senator Bingaman, adding $1 million to GAO's budget for a technology assessment pilot project, offset by a $1 million reduction in the Architect of the Capitol's budget. It also includes authority for the Architect to lease a particular property for the Capitol Police, for a vehicle maintenance facility, and technical corrections.

I thank two staffers who worked tirelessly on this bill. I thank Carolyn Apostolou with the Appropriations Committee staff, who worked very much for the continuity which she has shown working first for Senator Bennett, and now for myself; and Pat Souters on my personal staff. I thank Chip Yost for his contribution to this as well.

I yield the floor to my colleague, Senator Bennett.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, the Senator from Illinois has been very generous in his comments. I thank him for his generosity. He is being a bit modest because he took over the subcommittee with great vigor and has moved ahead on those portions of this bill in which he has a particular interest. That was demonstrated in both the report, language and the priorities of the bill.

I congratulate him for the way he handled his stewardship of this particular assignment.

This is not the most glamorous subcommittee on the Appropriations Committee. But in some cases, it may be the most fun because we get to deal with people who interact with the Senate all of the time.

The Senator from Illinois has my thanks and congratulations on the work he has done. I will not review the specifics of the bill that he has gone over. I will point out that I think the increases he has cited are appropriate.

This bill has my full support. One of the items that is in the bill that the press has expressed great interest about is the million dollars that we put in for the Visitors Center. The million dollars is obviously not adequate to begin the Visitors Center. But since the House has in effect in anything this becomes a placeholder for us to discuss an appropriation for the Visitors Center when we get to conference. I think the Congress needs the Visitors Center.

The question is, what kind of efficiency could be gained by having all of them coordinated to produce some cost savings? That is a question that I have been addressing for some time. I appreciate Senator Durbin's willingness to support the GAO study to look in that direction.

All in all, it has been a pleasure to work with Senator Durbin and a delight to help put this bill together with him.

I thank the staff that have toiled late at night and early in the morning to coordinate this legislation.

Mr. SPECTER. Mr. President, I send this amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 1027

Mr. SPECTER. 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 Pennsylvania [Mr. Specter] proposes an amendment numbered 1027.

Mr. SPECTER. 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 provide additional funding for Members of the Senate which may be used by a Member for mailings to provide notice of town meetings)

At the appropriate place, insert the following:

MAILINGS FOR TOWN MEETINGS

For mailings of postal patron postcards by Members for the purpose of providing notice of a town meeting in a county (or equivalent unit of local government) with a population of less than 50,000 that the Member will personally attend to be allotted $416,843,000, subject to authorization: Provided That any amount allocated to a Member for such mailing under this paragraph shall not exceed 50 percent of the cost of the mailing and the remaining costs shall be paid by the Member from other funds available to the Member.

On page 33, line 6, strike "$319,843,000" and insert "$416,843,000".

Mr. SPECTER. Mr. President, only 5 minutes has been allotted for my remarks. I have asked for that limited time only realizing the lateness of the hour.

This amendment would establish a relatively small fund of $3 million to pay for notices sent to residents of small counties when a Senator comes to that county to have a town meeting.

Town meetings are in the greatest tradition of American democracy. But the current schedule of town meetings is quite modest. The mail accounts are inadequate to provide for all of the funds necessary.

For my State alone, it would cost about three-quarters of a million dollars. My total budget is little over $2 million for all of my office expenses. This is an effort to start on what I think could be a very important project.

It provides only for notices in small counties under 50,000 population. It is possible in Pennsylvania, illustratively, to cover the big cities and the suburban counties for television and newspapers. But if you take the northern tier of Pennsylvania, or the southern tier, or some of the counties, you simply can't get there unless you go there.

If a Senator is to go there, the only way you could tell people that you are coming is if you send them a simple postal paper notice—not even a name or address—just to every resident.

I had anticipated that perhaps a lively debate on this subject might have taken an hour or two.

But when I saw that the legislative appropriations bill was going to be listed this evening at about 9:20, I decided three magic words to this amendment, and they are, "subject to authorization." I know the Senator from Illinois is opposed to the amendment; the Senator from Utah is in favor of the amendment. We will present this matter, on another occasion, to the Rules Committee. But it is my understanding that pursuant to practice, if it passes the Senate, it is not subject to conference. I do not want to have an amendment accepted and then dropped in conference. That frequently happens.

Mr. President, how much time remains of my 5 minutes?
The PRESIDING OFFICER. The Senator retains 2 minutes 10 seconds.

Mr. SPECTER. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Illinois.

Mr. DURBIN. Mr. President, I will accept this amendment this evening, but as I made it clear to the Senator from Pennsylvania, I do not believe this is necessary. We appropriated about $8 million a year for Senate mailing, and the Senators did not use it. They returned $4 million.

The Senator from Pennsylvania has suggested that to what we need to add an additional $3 million when we are returning $4 million. I do not quite understand it.

I think there is adequate money to send out town meeting notices for any Senator who wishes to do so. Many Senators, including some who are in this Chamber, who will go unnamed, did not even use their mailing account last year. They left almost $100,000 in the account. And they are suggesting we need to put more money on the table for mailing.

I believe in town hall meetings. I had over 400 as a Congressman, and I support them as a Senator.

I am going to, of course, allow this amendment to go forward without objection, but as a member of the Rules Committee, the Senator from Pennsylvania has a job to do to convince me to support it there.

The PRESIDING OFFICER. The Senator from Pennsylvania. Mr. SPECTER. I am prepared to undertake that job. And if the Senator from Illinois does not understand why I am offering this amendment, let me explain it to him.

It would cost, to circulate in Pennsylvania, $735,000, which will be about a third of my budget. We have a grave crisis in America where people think that Members of Congress are up for sale.

Campaign finance reform has been a heated subject in this Chamber and in the House Chamber. It is a necessary to have fundraisers, and you cannot deny that the people who come to fundraisers have access. But I find that the best answer to that is to tell my constituents that I go to all the counties in Pennsylvania—67 counties. It is onerous. It is very worthwhile in many respects.

It is very refreshing to get outside the beltway, to find out what people are thinking about in upstate Pennsylvania; and to say to people that will get a notice that ARLEN SPECTER is coming to town, and you can come there, you do not have to buy a ticket. You can listen to a short speech, about 5 minutes on an hour, and the balance of the hour is for questions and answers. That way you have participatory democracy.

So it is a partial answer to the problem of fundraisers which we hold. I think it would be great if this sort of financing would encourage Senators to go out and do town meetings, and I intend to pursue this in the Rules Committee. This is just a start. Let’s see how it works. My instinct is that most of the $3 million will not be used. And while it is first-come-first-serve, you cannot spend a lot of money for the postal patron postcards going to people in counties with a population of under 50,000.

I thank the managers for accepting this amendment. I think it can prove very beneficial to the Senators and, more importantly, to America.

Mr. President, how much time remains?

The PRESIDING OFFICER. Twenty seconds.

Mr. SPECTER. If that is all the debate, I yield back the remainder of my time.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to amendment No. 1027.

The amendment (No. 1027) was agreed to.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 1026

Mr. DURBIN. Mr. President, I call up the managers’ amendment which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows: The Senator from Illinois [Mr. DURBIN], for himself and Mr. BENNETT, proposes an amendment numbered 1026.

Mr. DURBIN. I ask unanimous consent of the managers that the amendment be dispensed with.

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

The amendment is as follows: (Purpose: To authorize the Architect of the Capitol to secure certain property, to fund a technology assessment pilot project, and for other purposes)

On page 8, insert between lines 9 and 10 the following:

(f) This section shall apply to fiscal year 2002 and each fiscal year thereafter.

On page 17, line 21, strike “$55,000,000” and insert “$54,000,000”.

On page 17, line 26, insert “after the date” before “days”.

On page 17, line 23, insert before the period the following: “Provided further, That notwithstanding any other provision of law and subject to the availability of appropriations, the Architect of the Capitol is authorized to secure, through multi-year rental, lease, or other appropriate agreement, the property located at 67 K Street, S.W., Washington, D.C., for use of Legislative Branch agencies, and to incur any necessary incidental expenses including maintenance, alterations, and repairs in connection therewith; Provided further, That in connection with the property referred to under the preceding proviso, the Architect of the Capitol is authorized to expend funds appropriated to the Architect of the Capitol for the purpose of the operations and support of Legislative Branch agencies, including the United States Capitol Police, as may be required for the purpose of using the property referred to under the preceding proviso shall be submitted to Congress’.

On page 38, line 15, strike “to read”.

On page 39, line 2, insert “pay” before “periods”.

Mr. DURBIN. Unless the Senator from Utah wants to speak to it, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1026.

The amendment (No. 1026) was agreed to.

The PRESIDING OFFICER. The yeas and nays on the bill.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

INFORMATION TECHNOLOGY

Mr. NICKLES. Mr. President, I want to express my concerns to the chairman and ranking member of the Legislative Branch appropriations subcommittee about the information technology capabilities of the Senate.

I am particularly concerned that the e-mail and networking systems of the Senate do not allow Senators and their staffs to take advantage of the latest in technology innovations. For example, the cc:mail e-mail system employed by the offices of every Senator is no longer in use by the company that developed it. It is an antiquated system that makes remote access slow and cumbersome, and does not allow for the use of wireless e-mail.

At this time, the Sergeant of Arms is looking at a January 2002 rollout of a modernized system that will bring the Senate into the 21st Century. This bill contains substantial increases in spending for the IT Support Services Department.
Division of the Sergeant of Arms. It is my understanding that some of this increase will be used for other purposes. Therefore, I ask the chairman and ranking member what portion of these increases will be used for the upgrade of the e-mail system?

Mr. DURBIN. The bill includes $1.8 million for the maintenance and support of the new e-mail system that is to be implemented beginning in January 2002. In addition, there is $6 million available in the current fiscal year that will be used for the rollout of the new system, including the necessary hardware and software.

Mr. BENNETT. The Senator from Illinois is correct, and I support the funding for the replacement of the e-mail system.

Mr. NICKLES. I thank the Chairman and Ranking Member for their commitment to the upgrade. After two years of delays, I urge them to monitor the Sergeant of Arms to see that the system is upgraded as expeditiously as possible.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? 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 Delaware (Mr. BIDEN) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Tennessee (Mr. Frist) and the Senator from North Carolina (Mr. HELMS) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 88, nays 9, as follows:

[Roll Call Vote No. 241 Leg.]

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EXECUTIVE SESSION

NOMINATION OF JOHN D. GRAHAM, OF MASSACHUSETTS, TO BE ADMINISTRATOR OF THE OFFICE OF INFORMATION AND REGULATORY AFFAIRS

The PRESIDING OFFICER. The Senate will now proceed to executive session. Under the previous order, the question occurs on agreeing to the nomination of John D. Graham of Massachusetts to be Administrator of the Office of Information and Regulatory Affairs.

Mr. THOMPSON. 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. DURBIN. Mr. President, point of clarification. Under the unanimous consent request, Senator Thompson and I each have a minute before the vote; is that correct?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Tennessee is recognized.

Mr. THOMPSON. Mr. President, John Graham has had a distinguished career. He has been head of the Harvard Center for Risk Analysis for the last 15 years and has been called the “best-qualified person” who has come down the road for this position by Bob Leiken of the Brookings Institution.

Some people don’t like scientific facts that don’t comport with their ideology, even if it is supported in the scientific community. He has been criticized, he has had selected excerpts taken from his works, and he has been unfairly characterized.

They have taken complex scientific issues and even though they might be counterintuitive for many of us, they are supported by the scientific community.

Mr. President, the merging of scientific analysis and the political process sometimes is not a pretty picture, and this one has not been either. But I suggest there have been a lot of people asleep on the job and very negligent if this gentleman is not qualified and has really adhered to some of the views attributed to him.

Leaders of public policy in this country: scientists, academics, Democrats and Republicans, the last two Democrats who have held this position, support this man. I suggest a strong vote for him is merited, and I sincerely urge that I yield the floor.

Mr. DURBIN. Mr. President, if my colleagues followed the debate this evening, they know John Graham’s views on science really are not in the mainstream by any stretch. He has made statements that pesticide residues on fruits and vegetables are not a public hazard. He has some theory that suggests there have been a lot of people sometimes is not a pretty picture, and they are supported by the scientific community.

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Right now we are in an economic slowdown. The evidence was there last September. But Chairman Greenspan and the Federal Reserve did not act in September.

They did not act in October. They did not act in November. They did not act in December. They did finally act in January.

Since then, the Fed, to its credit, has continued to move the federal funds rate, cutting it 6 times. But the damage has already been done.

What concerns me about Dr. Ferguson is the response he gave to me in the Banking Committee when I asked him this question: ‘Hindsight being 20/20, do you think the Fed waited too long to reduce the target federal funds rate?’

Dr. Ferguson’s response was: ‘No, sir. Even with 20/20 hindsight, I do not believe that to be the case.’

Mr. President, I simply can’t understand that answer. Knowing what we know now, it just doesn’t make sense. During that time last year, practically every single economic indicator was headed straight down.

The markets, especially the NASDAQ were dropping, causing wealth to be taken out of the economy. Corporations were announcing layoffs, not just dot-coms, but companies like GE.

The index of leading economic indicators started to fall. And consumer confidence started dropping. And GDP slowed markedly.

Anyone I’ve talked to since then, now says that, looking back, it’s pretty clear that the Fed was slow at the switch in recognizing and reacting to the warning signs.

Six rate cuts this year is clear evidence of this. That’s the most in such a short period of time in decades, and shows just how precarious a position our economy was in.

We’re still having trouble turning the corner, and even now there are warning signs that our economic slowdown is causing a ripple effect around the globe.

Who knows what would have happened if the Fed had cut rates sooner. If Dr. Ferguson is confirmed, I’m afraid we probably never will.

That truly worries me. I am afraid that he is looking over his shoulder already, and is concerned about how the Fed Chairman is going to react to his remarks.

I think Dr. Ferguson was afraid to criticize the chairman and to upset the apple cart.

But I believe that we need strong, independent Fed Governors who are willing to challenge the status quo and to make the hard call.

I am afraid that Dr. Ferguson does not fit this bill.

We do not need Alan Greenspan clones who will never question the chairman, who will never take the contrary view.

What we need are Fed nominees who will be independent. We need nominees who will stand up to the chairman if they believe he is wrong.

I do not believe Dr. Ferguson will assert that independence. I believe his answer to my question in the Banking Committee proves that.

For this reason, I reluctantly vote ‘no’ on the nomination of Dr. Roger Ferguson, to a 14-year term as a member of the Board of Governors of the Federal Reserve.

The PRESIDING OFFICER. All time has been yielded back. Mr. BREAUX. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is, Will the Senate advise and consent to the nomination of Roger Walter Ferguson, Jr., to be a Member of the Board of Governors of the Federal Reserve System? On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 243 Exec.]

YEAS—97

NAYS—2

CONGRESSIONAL RECORD—SENATE July 19, 2001
CONGRESSIONAL RECORD—SENATE

July 19, 2001

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. 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.

MORNING BUSINESS

Mr. REID. Mr. President, I hope everyone recognizes the tremendous tragedy we sadly heard of yesterday in Baltimore. A train derailed in a tunnel. The fire is still burning. The hydrochloric acid is still leaking from that tank. Last night, the city of Baltimore, one of the largest cities in America, was closed down. The Baltimore Orioles were in the middle of a doubleheader. They stopped the game and sent everybody home.

The reason I mention this is there has been a mad clamor about the nuclear power industry and shipping nuclear waste. The nuclear industry doesn't care where it goes, although they are focused on Nevada for the present time. I think everyone needs to recognize that transporting hazardous materials is very difficult. If people think hydrochloric acid is bad—which it is—think about how bad nuclear waste might have been. The size of a pinpoint would kill a person. We are talking about transporting some 70,000 tons of it all across America.

I hope before everybody starts flexing their muscles about the reestablishment of nuclear power in this country that we recognize first there has to be something done with the dangerous waste associated with nuclear power.

It is estimated that some 60 million people live within a mile of the routes that may be proposed for transporting this nuclear waste by train or truck. Not to mention the problems related to terrorism, which we have discussed at some length on this floor in previous debates.

We should leave nuclear waste where it is. Eminent scientists say it is safe. It could be stored onsite in storage containers for a fraction of the cost of a permanent repository. It would be much less dangerous. It could be stored relatively safely for 100 years. The scientists say. During that period of time, we might develop a breakthrough idea as to what could be done safely with these spent fuel rods.

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RADIATION EXPOSURE CLAIMS

Mr. DOMENICI. Mr. President, I would like to speak today about a group of Americans, some of whom are in my State of Arizona. Some are in Wyoming. Some are in Connecticut. These people have only one thing in common: they are the beneficiaries of an American law that is called RCRA, the Radiation Exposure Compensation Act. A number of us were part of getting that law passed. It was a recognition that there were certain Americans, including uranium miners and some others, who very well might have been overexposed to low-level radiation when they were mining in uranium mines that weren't aerated—where they did not have enough air conditioning and not enough clean air. They may have very well during their lives breathed in radiation and contracted serious illnesses. Some might have died. Some may today be suffering from cancer or other diseases.

In any event, this law was passed. It was kind of heralded as a very good commitment by the Government and very simple. You didn't have to get a lawyer for these claims. It was limited to $100,000 in exchange for making it simple and setting some standards: You can come in and prove your case. You could probably prove your claim in a relatively short period of time.

Lo and behold that the money up, you would get your check. You could get it as a widow. You could get it as one who was sick. You could get it as anyone entitled to it under the statute. It worked pretty well for a while.

Then something very ghastly happened for the beneficiaries. Pretty soon, they started going to the Justice Department which has charge of these claims and asking them for money.

The Justice Department told this growing group of Americans: We don't have any money.

They said: What do you mean? Here is the law.

They said: Well, Congress didn't put up the money. We ran out. So you will not be worried, why don't we give you an IOU. Here is your assurance that the Government says it owes you $100,000.

These people started coming to see their Senators—not only me but Senator BINGAMAN and other Senators—saying, time is passing. I am getting sicker. I may even die, and I have an IOU from this great big American Government. Why can't they pay me?

Let me say in this Chamber that it is embarrassing to say it even here, but it is more embarrassing to say it to the victims. There is a big series of discussions going on between committees—even appropriations subcommittees—trying to figure out who one ought to appropriate the money.

In the meantime, no money is appropriated. People walk around with the IOUs filing their claims, and they are working on them day by day. And another law passes. It is for a larger group of Americans who come in to adjudicate their claim for exposure to low-level radiation. It is for radiation where we had uranium in a Richmond, VA, mine or perhaps in Paducah, KY, and various places in Ohio. For this larger group of people, those claims are still being worked.

We say: Well, time has passed, and maybe these claims should be a little higher. So they are awarded $150,000 if they can prove the claim that they are either totally disabled or are an heir.

Congress in that case—coming out of a different committee—made that program an entitlement. Even the occupant of the Chair, who is a new Senator, would understand that those claims are paid without anybody approaching it—just the way what security or your veterans check.

Here is one group of Americans filing their claims. Some of them are already adjudicated; we stamp out a check, while over here another group of Americans carry around IOUs.

A number of Senators have been working on this issue. A number of House Members have been working on it. My friend, Senator BINGAMAN, has been working on it.

But essentially our last opportunity to cease the embarrassment and do something half fair was to put language in the supplemental appropriations bill that would see to it that for any claims already finished where people are carrying around the IOUs, or any that are completed for the rest of this year, there is money for them. We provided that in the Senate bill on supplemental appropriations.

Frankly, we even had to find a way for it because of the tight budget. So we found a way to pay for it. I did, out of a program I started a few years ago. I said: It is not being used, so cancel it so we have room.

Today, at about 10:30, 11 o'clock this morning, after a number of days of confering, the House-Senate committee on that bill approved it. It should come back before us very soon and get approval. It has language in it that says whatever amount of money is needed for those holding those IOUs and for those finishing up their claims in the end of this fiscal year, they will have the money in the Justice Department to pay it.

I say to the Senate, I know it is difficult, unless you have this problem, for you to be as concerned as I or those in my particular region. But I thought maybe I should tell the whole Senate because it is time they know that this is a festering embarrassment.

Is it solved? No. The appropriations bill is going to carry for another year next year only carries a small amount of money because it expects, as does the President in his budget, to convert this program to an automatic payment...
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JACKIE M. CLEGG

Mr. SARBANES. Mr. President, I seek recognition to express a deep appreciation for the dedicated service of Jackie M. Clegg, First Vice President and Vice Chair of the Export-Import Bank of the United States.

As I think many of my colleagues are aware, Jackie's 4-year term at the Eximbank will be concluding on tomorrow. She worked for more than a decade as the legislative assistant for foreign policy, trade, and national security issues, for Senator Jake Garn of her home State of Utah, as an associate staff member to the Appropriations Committee, and later as a professional staff member on the Senate Banking, Housing, and Urban Affairs Subcommittee on International Finance and Monetary Policy.

It thus came as no surprise to us in the Congress when Jackie skilfully led the bank's efforts on its reauthorization legislation in 1997.

The legislation received overwhelming bipartisan support in the Congress and set the stage for the bank's excellent work on behalf of U.S. exporters during her term. We on the Banking Committee have had the benefit of Jackie's wise counsel on export and trade matters for several years. She has an acute sense of the relationship among Federal agencies, Congress, foreign governments, and the business community.

In her travels on the Bank's behalf, and in her speeches, Jackie has raised awareness of the critical nature that international trade and trade finance can play in improving the lives of our citizens. Jackie has also devoted herself to improving the management of the Eximbank and its responsiveness to staff concerns. She has helped shepherd the bank's legislation through the automatic re-enactment process as a means of better fulfilling its objective of satisfying the needs of small business. She has served as both an institutional memory and a trailblazer—traits not often found in the same person.

The board of directors of the Eximbank today adopted a resolution expressing its appreciation and thanks to Jackie for her distinguished service to the Bank.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD after my remarks.

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

(See Exhibit 1.)

Mr. SARBANES. Mr. President, for those of us who have supported and worked with the Eximbank, it is a loss that Jackie Clegg has chosen to leave public office at this time. We recognize, however, she has a special reason for this decision, and that she has already extended our congratulations to Jackie and our colleague, the distinguished Senator from Connecticut, Senator DODD, as they start a family.

But I want to thank her before she leaves office for her outstanding service to the Nation through her many contributions to the work of the Export-Import Bank of the United States.

EXHIBIT 1

EXPORT-IMPORT BANK OF THE UNITED STATES

RESOLUTION

Whereas Jackie M. Clegg has served with distinction as First Vice-President and Vice Chairman of the Export-Import Bank of the United States since June 17, 1997, and

Recognizing, that she has spent more than eight years in a series of senior positions at the Ex-Im Bank, devoting herself to the agency's mission of supporting U.S. exporters and sustaining American jobs; and

Recognizing further, that her success at the Ex-Im Bank is a logical outgrowth of her extensive U.S. Senate staff career, including more than a decade of work as a legislative assistant for foreign policy, trade, national security, banking, and appropriations issues; and

Recognizing further, that she led the Bank's efforts on its reauthorization legislation in 1997, which received overwhelming bipartisan support in the Congress, and that the legislation has made it possible for the Bank to serve better the needs of U.S. exporters, earning her the admiration and respect of numerous Members of Congress, the Executive Branch, and the exporting community; and

Recognizing further, that she demonstrated leadership and creativity as the Bank tackled critical issues such as resolving international financial challenges, balancing the need for environmental protection with promoting business opportunities, and encouraging trade among small businesses, particularly those owned by women, minorities, and Americans who live in rural areas; and

Recognizing further, that she devoted herself to enhancing the quality of life for the Bank's career staff through innovation and a commitment to training, advancement, and empowerment; and

Recognizing further, that she has brought great credit to the Bank and succeeded in raising awareness of the agency and its mission, thereby expanding exporting opportunities for American companies and enhancing their competitiveness in the global marketplace; and

Recognizing further, that her intelligence, dedication, warmth, and leadership have...
Mr. REID. Mr. President, I ask unanimous consent that the Senator’s morning business time be extended.

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

Mr. REID. I say to my friend, I also have great pride to know Jackie Clegg. I met Jackie when she was a staff person for Senator Garn on the Appropriations Committee. She would come and be at his side and was his voice and ears on that committee—an important committee on which he did so well for the State of Utah. I got to know her better when she went to the Eximbank. We think of the Bank—I always did—as being something that was done in places other than in the United States. But she was kind and professional enough to do a meeting in Las Vegas for me of the Eximbank. There was tremendous interest of Las Vegas businesspeople in what that Bank could do and could not do. People were brought to a meeting in Las Vegas, and I can say it was one of the most successful of that type of meeting I have ever held. She will be missed. Of course, being chairman of the Banking Committee and having worked in the area a long time, you certainly understand, having worked so closely with her, more than most of us how important that Bank is. I appreciate the Senator mentioning Jackie very much. However, I am very confident that her new role, as important as her old role was, will be even more important. I know she is looking forward to it. She will be a great mother, and I look forward to seeing her with her new baby in just a few months.

Mr. SARBANES. I thank the Senator for his comments.

Mr. REID. Mr. President, I am going to hold a hearing next week on the Environment and Public Works Committee. I am now the subcommittee chair on the committee with jurisdiction over this country’s infrastructure. The first hearing I am going to do is going to be involved with the mayors of major cities in the United States, to have them start telling us what some of our major urban cities need. We are tremendously deficient in what we have not done to help cities and, of course, other parts of our country.

This is not developed today. We have been ignoring this for far too long. The Senator is absolutely right. We now are looking at budgetary constraints that make it very difficult for us to address some of the most grievous things facing this country as it relates to infrastructure. That is one of the reasons I am holding this hearing. We can no longer hide our head, bury our heads in the sand, and say they don’t exist. These problems exist. The Senator and the Public Works Committee is going to start addressing this next week.

Mr. SARBANES. I commend the Senator for that initiative. I think it is extremely important. I think we have to get across the understanding that these public investments in infrastructure worth it to properly carry out its business. I think we need to perceive it in those terms because people come out and say you are just talking about making a public expenditure, but this is a public expenditure with wide-ranging consequences and implications for the effective working of the private sector of the economy.

Mr. REID. I will finally say to my friend, you are so right. Some of the people who want to spend less money than anyone else are the so-called market-oriented people. Adam Smith, in his book “Wealth of Nations,” in 1776, said that governments had certain responsibilities, and one of those responsibilities is things about which we are speaking, things we cannot do for ourselves. But governments can do roads, highways, bridges, dams, sewers, water systems. So we go right back to the basic book of the free enterprise system, and that is what we are talking about.

Mr. SARBANES. That is right.

ENERGY, OPEC, AND ANTITRUST LAW

Mr. SPECTER. Mr. President, I have sought recognition to discuss briefly this afternoon, in the absence of any activity on the pending legislation, and in the absence of any other Senator seeking recognition, to discuss a subject which was talked about at the energy town meeting which Vice President Cheney had in Pittsburgh on Monday of this week, July 16.

At that time, I had an opportunity to address very briefly a number of energy issues. I talked about the possibility of action under the U.S. antitrust laws against OPEC which could have the effect of bringing down the price of petroleum and, in turn, the high prices of gasoline which American consumers are paying at the present time.

I have had a number of comments about people’s interest in that presentation. I only had a little more than 3 minutes to discuss this OPEC issue and some others. I thought it would be worthwhile to comment on this subject in this Senate Chamber today so that others might be aware of the possibility of a lawsuit against OPEC under the antitrust laws.

I had written to President Clinton on April 11 of the year 2000 and had written a similar letter to President George Bush on April 25 of this year, 2001, outlining the subject matter as to the potential for a lawsuit against
OPEC. The essential considerations involved whether there is sovereign immunity from a lawsuit where an act of state doctrine and the decisions in the field make a delineation between what is commercial activity contrasted with governmental activity. Commercial activity, such as the sale of oil, is not something which is covered by the act of state doctrine, and therefore is not an activity which enjoys sovereign immunity.

There have also been some limitations on matters involving international law, as to whether there is a consensus in international law that price fixing by cartels violates international norms. In recent years, there has been a growing consensus that such cartels do violate international norms, so that now there is a basis for a lawsuit under U.S. law against OPEC and, beyond OPEC, against the countries which comprise OPEC.

After writing these letters to President Clinton and President Bush, I found that there had, in fact, been litigation instituted on this precise subject in the U.S. District Court for the Northern District of Alabama, Southern Division, in a case captioned "Prewitt Enterprises, Inc. v. Organization of the Petroleum Exporting Countries." In that case, neither OPEC nor any of the other countries involved contested the case, and a default judgment was entered by the federal court, which made some findings of fact right in line with the issues which had been raised in my letters to both Presidents Clinton and Bush.

The court found that OPEC had conspired to implement extensive production cuts, that they had established quotas in order to achieve a specific price range of $22 to $28 a barrel, and that the cost to U.S. consumers on a daily basis was in the range of $80 to $120 million for petroleum products. That is worth repeating. The cost to U.S. consumers was $80 to $120 million daily.

The court further found that OPEC was not a foreign state. The court also found that the member states of OPEC, although not parties to the action, were coconspirators with OPEC, and that the agreement entered into by the member states which I sent to Presidents Clinton and Bush, in line with the issues which had been raised in my letters to both Presidents Clinton and Bush, was a commercial activity, and the states, therefore, did not have sovereign immunity for their actions.

The court further found that the act of state doctrine did not apply to the member states and that OPEC’s actions were illegal “per se” under the Sherman and Clayton Acts.

The court then issued an injunction, which is legalese for saying OPEC could no longer act in concert to control the volume of the production and export of crude oil.

The court found that the class of plaintiffs was not entitled to monetary damages because they were what is called "indirect purchasers." That is a legal concept which is rather involved which I need not discuss at this time, and the findings of fact and conclusions of law were established by the Federal court that indeed there was a cartel, there was a conspiracy in restraint of trade, U.S. laws were violated, U.S. consumers were being prejudiced, and an injunction was issued.

Then, a unique thing occurred. After the court entered its default judgment and injunction, OPEC entered a special appearance in the case, and asked the court to dismiss the case. Three nations, who were not parties to the case—Saudi Arabia, Kuwait, and Mexico—then sought leave of the court to file “amicus” briefs in support of OPEC’s motion to dismiss, which it had wanted to file in order to assist OPEC in defending the matter. I think it is highly significant that those nations, which are characterized and customarily oblivious and indifferent and seek to simply ignore U.S. judicial action, had a change of heart and decided to come in.

They must have concluded that an injunction by Federal court was something to be concerned about. I think, in fact, it is something to be concerned about.

In an era where we are struggling with an extraordinarily difficult time of high energy costs, with real concerns laid on the floor of the Senate about where additional drilling ought to be undertaken, about the problems with fossil fuels, about our activities to try to find clean coal technology to comply with the Clean Air Act, at a time when we are looking for renewable energy sources such as wind and hydroelectric power, there is a long finger to point at the OPEC nations which are conspiring to drive up prices in violation not only of U.S. law but in violation of international law.

This is a subject which ought to be known to people generally. It ought to be the subject of debate, and it ought to be, in my opinion, beyond a class action brought into the Federal court by private plaintiffs, which is something that the Government of the United States of America ought to consider doing. We have seen beyond the issue of diplomatic concerns where every time an issue is raised, we worry about what one of the foreign governments is going to do, what Saudi Arabia is going to do—that we should handle them with "silk gloves" only. But when American consumers are being gouged up to $100 million a day on petroleum products, this is something we ought to consider and, in my judgment, we ought to act on.

We have seen beyond the issue of antitrust enforcement a new era of international law, with the War Crimes Tribunals, with the International Criminal Court, and the War Crimes tribunals in the Balkans. A new era has dawned where we are finding that the international rule of law is coming into common parlance. That long arm of the law, I do believe, extends to OPEC, and there could be some very unique remedies for U.S. consumers.

I ask unanimous consent to print my letter to President Bush, dated April 25, 2001, in the RECORD. There being no objection, the letter was ordered to be printed in the RECORD, as follows:


President GEORGE WALKER BUSH,
The White House, Washington, DC.

DEAR MR. PRESIDENT: In light of the energy crisis and the high prices of OPEC oil, we know you will share our view that we must explore every possible alternative to stop OPEC and other oil-producing states from entering into agreements to restrict oil production in order to drive up the price of oil.

This conduct is nothing more than an old-fashioned conspiracy in restraint of trade which has long been condemned under U.S. law, and which should be condemned under international law.

After some research, we suggest that serious consideration be given to two potential lawsuits against OPEC and the nations conspiring with it:

(1) A suit in Federal district court under U.S. antitrust law.

(2) A suit in the International Court of Justice at the Hague based upon “the general principles of law recognized by civilized nations.”

(1) A suit in Federal district court under U.S. antitrust law.

A strong case can be made that your Administration can sue OPEC in Federal district court under U.S. antitrust law. OPEC is clearly engaging in a “conspiracy in restraint of trade” in violation of the Sherman

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Act (15 U.S.C. Sec. 1). The Administration has the power to impose under 15 U.S.C. Sec. 4 injunctive relief to prevent such collusion.

In addition, the Administration has the power to sue OPEC for treble damages under the Clayton Act (15 U.S.C. Sec. 15). Prewitt’s behavior has caused an “injury” to U.S. “property.” After all, the U.S. government is a consumer of petroleum products and must now pay higher prices for these products. In Reiter v. Sonotone Corp., 442 U.S. 330 (1979), the Supreme Court held that the claim of one of the parties bearing the higher cost of alleged collusion among manufacturers had led to an increase in prices had standing to sue those manufacturers under the Clayton Act since “a consumer deprived of money by reason of allegedly anticompetitive conduct is injured in ‘property within the meaning of [the Clayton Act].’”

One issue that would be raised by such a suit is whether the Foreign Sovereign Immunities Act (“FSIA”) provides OPEC, a group of sovereign foreign nations, with immunity from suit. To date, no Federal court, the District Court for the Central District of California, has reviewed this issue. In International Association of Machinists v. Schipper, 663 F. Supp. 1241 (1986), the Court held that the nations which comprise OPEC were immune from suit in the United States under the FSIA. We believe that the opinion was wrong in engaging in “governmental activity,” then the FSIA shields them from suit in U.S. courts. If, however, these nations are engaging in “commercial activity” or “governmental activity” when they cooperate to sell their oil at higher prices, it would mean that other district courts, including the D.C. District, can and should revisit the issue.

This decision in Int. Assoc. of Machinists turned on the technical issue of whether or not the nations which comprise OPEC are engaging in “commercial activity” or “governmental activity” when they cooperate to sell their oil at higher prices. In the California District Court held that OPEC activity is “commercial activity.” We disagree. It is certainly a governmental activity to regulate the extraction of petroleum from its territory by ensuring compliance with zoning, environmental and other regulatory regimes. It is clearly not a commercial activity, however, when these nations to sit together and collude to limit their oil production for the sole purpose of increasing prices.

The 9th Circuit affirmed the District Court’s ruling in Int. Assoc. Of Machinists in 1981 (649 F.2d 1354), but on the basis of an entirely different legal principle. The 9th Circuit held that the Court could not hear this case because of the “act of state” doctrine which holds that a U.S. court will not adjudicate a politically sensitive dispute which would require the court to judge the legality of the sovereign act of a foreign state.

The 9th Circuit itself acknowledged in its Int. Assoc. Of Machinists opinion that “The [act of state] doctrine does not suggest a rigid rule of application,” but rather application of the rule will depend on the circumstances of each case. The Court also noted that political considerations and the availability of internationally-accepted legal principles which would render the issues appropriate for judicial disposition. “The Court then quotes in dicta from Com- fision in Banco Nacional de Cuba v. Sabbatino, 376 U.S. 398 (1964): ‘It should be apparent that the greater the degree of codification or consensus in international law, the more appropriate it is for the judiciary to render decisions regarding it, since the courts can then focus on the abstract principles to which disputes may rise as a result of the circumstances of fact rather than on the sensitive task of establishing a principle not inconsistent with the national interest or with international justice.”

This seems to mean that the circuit issued its opinion in 1981, there have been major developments in international law that impact directly on the subject matter at issue. As we discussed in greater detail below, the 1990’s have witnessed a strong increase in efforts to seek compliance with basic international law, and international courts and tribunals. In addition, there is strong evidence of an emerging consensus in international law that price fixing by cartels violates such international norms. Accordingly, a court choosing to apply the act of state doctrine to a dispute with OPEC today may very well reach a different conclusion than the 9th Circuit reached almost twenty years ago.

(2) A suit in the International Court of Justice at the Hague based upon “the general principles of law recognized by civilized nations.”

In addition to such domestic antitrust action, we believe you should give serious consideration to a suit before the International Court of Justice (the “ICJ”) at the Hague. You should consider both a direct suit against the OPEC member nations and a request for an advisory opinion from the court through the auspices of the U.N. Security Council. The actions of OPEC in attempts to control the prices at which oil is sold, the “general principles of law recognized by civilized nations.” Under Article 38 of the Statute of the ICJ, the Court is required to apply these “general principles” when deciding cases before it.

This would clearly be a cutting-edge lawsuit, making new law at the international level. But there have been exciting developments in recent years which suggest that the ICJ would be willing to move in this direction. In a number of contexts, we have seen courts recognize the importance of this, including cases where the U.S. government has petitioned the International Criminal Court to hold foreign officials accountable for their actions in violation of the laws.

We hope that you will seriously consider judicial action to put an end to such behavior. We hope that you will seriously consider judicial action to put an end to such behavior.

Mr. SPECTER. I will not include my letter to President Clinton, dated April 11, 2000, because the two letters are largely the same.

I further ask unanimous consent that the first caption page of the case entitled “Prewitt Enterprises v. Organization of Petroleum Exporting Countries” be printed in the RECORD so that those who so study the RECORD may have a point of reference to get the entire case and do any research which anybody might care to do.

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

[(In the United States District Court for the Northern District of Alabama, Southern Division, Civil Action Number CV–00–W–299S.]

PREWITT ENTERPRISES, INC., on its own behalf and on behalf of all others similarly situated, Plaintiffs, vs. ORGANIZATION OF THE PETROLEUM EXPORTING COUNTRIES, Defendant

FINDINGS OF FACT AND CONCLUSIONS OF LAW

This antitrust class action is now before the Court on the Application and Memorandum of Law in Support of Application for Default Judgment and Appropriate Declarations,ory and Injunctive Relief by plaintiff Prewitt Enterprises, Inc., on its own behalf and on behalf of the Class.

On January 9, 2001, the Court entered a Show Cause Order directing defendant Organization of the Petroleum Exporting Countries, to appear before the Court on March 8, 2001, to show cause why it has, why plaintiff’s Application should not be granted and why judgment by default against it.
should not be entered. Defendant OPEC was served by cause of process at the Application by means of Federal Express international delivery at its offices in Vienna, Austria, to the attention of the Office of the Secretary General. The proof . . .

RULES GOVERNING PROCEDURES FOR THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. HOLLINGS. Mr. President, the Senate Committee on Commerce, Science, and Transportation has adopted modified rules governing its procedures for the 107th Congress. Pursuant to Rule XXVI, paragraph 2, of the Standing Rules of the Senate, on behalf of myself and Senator MCCAIN, I ask unanimous consent that a copy of the Committee rules be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD.

RULES OF THE SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of paragraph 1 of rule XXVI of the Standing Rules of the Senate.

2. Meetings of the Committee, or any Subcommittee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee, or any Subcommittee, on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the members of the Committee, or any Subcommittee thereof, to determine that the matter to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of Committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloqui, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of an informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of, or financial or commercial information pertaining specifically to, a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

3. Each witness who is to appear before the Committee, or any Subcommittee thereof, shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman or ranking minority member of the full Committee prescribes.

4. Field hearings of the full Committee, and any Subcommittee thereof, shall be scheduled only when authorized by the Chairman and ranking minority member of the full Committee.

II. QUORUMS

1. Thirteen members shall constitute a quorum for the purpose of transacting any business they may be considered by the Committee, except for the reporting of a bill, resolution, or nomination. Proxies shall not be counted in making a quorum.

2. Eight members shall constitute a quorum for the transaction of all business as may be considered by the Committee, except for the reporting of a bill, resolution, or nomination. Proxies shall not be counted in making a quorum.

3. For the purpose of taking sworn testimony a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a majority of the members present, a member who is unable to attend the meeting may submit his or her vote by proxy, in writing or by telephone, or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public hearings of the full Committee, or any Subcommittee thereof, shall be televised whenever there is a quorum of the Committee. The Committee may authorize television of all or any Subcommittee thereof, shall be televised only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the Subcommittee unless he or she is a Member of such Subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the membership of the Subcommittee.

VI. CONSIDERATION OF BILLS AND RESOLUTIONS

It shall not be in order during a meeting of the Committee to move to proceed to the consideration of any bill or resolution unless the bill or resolution has been filed with the Clerk of the Committee not less than 48 hours in advance of the Committee meeting, in as many copies as the Chairman of the Committee prescribes. This rule may be waived with the concurrence of the Chairman and the ranking minority member of the full Committee.

REPORT ON ACTIVITIES OF U.S. DELEGATION TO THE PARLIAMENTARY ASSEMBLY OF THE ORGANIZATION FOR SECURITY AND COOPERATION IN EUROPE

Mr. CAMPBELL. Mr. President, I am pleased to report to my colleagues in the United States Senate on the work of the bicameral congressional delegation which I chaired that participated in the Tenth Annual Session of the Parliamentary Assembly of the Organization for Security and Cooperation in Europe, OSCE PA, hosted by the French Parliament, the National Assembly and the Senate, in Paris, July 6-10, 2001. Other participants from the United States Senate were Senator HUTCHISON of Texas and Senator VOINOVICH of Ohio. We were joined by 12 Members of the House of Representatives: cochairman SMITH of New Jersey, Mr. HOYER, Mr. CARDFN, Ms. SLAUGHTER, Mr. McNULTY, Mr. HASTINGS of Florida, Mr. KING, Mr. BRYANT, Mr. WAMP, Mr. PITTs, Mr. HOEFFEL and Mr. TANGDENO.

En route to Paris, the delegation stopped in Caen, France and traveled to Normandy for a briefing by General Joseph W. Ralston, Commander in Chief of the U.S. European Command and Supreme Allied Commander Europe, on security developments in Europe, including developments in Macedonia, Kosovo, and Bosnia-Herzegovina as well as cooperation with the International Criminal Tribunal for the former Yugoslavia.

At the Normandy American Cemetery, members of the delegation participated in ceremonies honoring those Americans killed in D-Day operations. Maintained by the Normandy American Cemetery and Memorial, the cemetery is the final resting place for 9,386 American servicemen and women and honors the memory of the 1,557 missing. The delegation also visited the Pointe du Hoc Monument honoring elements of the 2d Ranger Battalion.

In Paris, the combined U.S. delegation of 15, the largest representation by any country in the Assembly was welcomed by others as a demonstration of the continued commitment of the United States, and the U.S. Congress, to Europe. The central theme of OSCE PA’s Tenth Annual Session was “European Security and Conflict Prevention: Challenges to the OSCE in the 21st Century.”

This year’s Assembly brought together nearly 300 parliamentarians from 52 OSCE participating States, including the first delegation from the Federal Republic of Yugoslavia following Belgrade’s suspension from the OSCE process in 1992. Seven countries, including the Russian Federation and the Federal Republic of Yugoslavia, were represented at the level of Speaker of Parliament or President of the Senate. Following a decision taken earlier in the year, the Assembly withheld recognition of the pro-
Lukashenka National Assembly given serious irregularities in Belarus' 2000 parliamentary elections. In light of the expiration of the mandate of the democratically elected 13th Supreme Soviet, no delegation from the Republic of Belarus was seated.

The inaugural ceremony included a welcoming addresses by the OSCE PA President, Senator HUTCHISON, Speaker of the National Assembly, Raymond Forni and the Speaker of the Senate, Christian Poncet. The French Minister of Foreign Affairs, Hubert Védrine also addressed delegates during the opening plenary. The OSCE Chairman-in-Office, Romanian Foreign Minister Mirecea Geoana, presented remarks and responded to questions from the floor.

Presentations were also made by several senior OSCE officials, including the OSCE Secretary General, the High Commissioner on National Minorities, the Representative on Freedom of the Media, and the Director of the OSCE Office for Democratic Institutions and Human Rights.

In the 2001 OSCE PA Prize for Journalism and Democracy was presented to the widows of the murdered journalists José Luis López de Lacalle of Spain and Georgiy Gongadze of Ukraine. The Spanish and Ukrainian journalists were posthumously awarded the prize for their outstanding work in furthering OSCE values.

Members of the U.S. delegation played a leading role in debate over the Anti-Ballistic Missile Treaty in the General Committee on Political Affairs and Security, chaired by Mr. HASTINGS, which focused on the European Security and Defense Initiative.

An amendment I introduced in the General Committee on Economic Affairs, Science, Technology and Environment on promoting social, educational and economic opportunity for indigenous peoples won overwhelming approval, marking it the first ever such reference to be included in an OSCE PA declaration. Other U.S. amendments focused on property restitution laws, sponsored by Mr. CARDIN, and adoption of comprehensive non-discrimination laws, sponsored by Mr. HOYER.

Amendments by members of the U.S. delegation on the General Committee on Democracy, Human Rights and Humanitarian Questions focused on the plight of Roma, by Mr. SMITH; citizenship, by Mr. HOYER; and Nazi-era compensations and restitution, and religious liberty, by Ms. SLAUGHTER. Delegation members also took part in debate on the abolition of the death penalty, an issue raised repeatedly during the Assembly and in discussions on the margins of the meeting.

While in Paris, members of the delegation held an ambitious series of meetings, including bilateral sessions with representatives from the Russian Federation, the Federal Republic of Yugoslavia, the United Kingdom, and Kazakhstan. Members met with the President of the French National Assembly to discuss diverse issues in U.S.-French relations including military security, agricultural trade, human rights and the death penalty. A meeting with the Romanian Foreign Minister included a discussion of the missile defense initiative, policing in the former Yugoslavia, and international adoption policies.

Staff of the U.S. Embassy provided an overview of current hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred February 21, 1997 in Atlanta, GA. A bomb exploded at a gay nightclub and another bomb was found outside the club during the investigation. Packed with nails, the bomb exploded in the rear patio section of the lounge shortly before 10 p.m. Two people were treated for injuries resulting from the flying shrapnel. An extremist group called "Army of God" claimed responsibility for the bomb.

I believe that Government's first duty is to defend its citizens, to defend against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can come substance, and I believe that by passing this legislation, we can change hearts and minds as well.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred February 21, 1997 in Atlanta, GA. A bomb exploded at a gay nightclub and another bomb was found outside the club during the investigation. Packed with nails, the bomb exploded in the rear patio section of the lounge shortly before 10 p.m. Two people were treated for injuries resulting from the flying shrapnel. An extremist group called "Army of God" claimed responsibility for the bomb.

I believe that Government's first duty is to defend its citizens, to defend against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can come substance, and I believe that by passing this legislation, we can change hearts and minds as well.

IN RECOGNITION OF THE HMONG SPECIAL GUERRILLA UNITS

Mr. LEVIN. Mr. President, this weekend members of the Lao-Hmong American Coalition, Michigan Chapter, their friends and supporters will gather in my home State of Michigan to pay tribute to thousands of courageous Hmong who selflessly fought alongside of and in support of the United States military during the Vietnam War. The efforts of the Hmong Special Guerrilla Units were unknown to the American public during the conflict in Vietnam, and the 6th Annual Commemoration of the U.S. Lao-Hmong Special Guerrilla Units Veterans Recognition Day is part...
of the important effort to acknowledge the role played by the Hmong people in this war.

Ms. STABENOW. My colleague from Michigan is correct in stating that Hmong Special Guerrilla Units played an important role in assisting US efforts in the Vietnam conflict, often times at great sacrifice to themselves. From 1961 to 1975 it is estimated that about 25,000 young Hmong men and boys were fighting the Communist Lao and North Vietnamese. The Hmong Special Guerrilla Units were known as the United States’ Secret Army, and their valiant efforts ensured the safety and survival of countless U.S. soldiers.

Mr. LEVIN. The Senator is correct. Hmong Special Guerrilla Units actively supported the United States, and risked great loss of life to save downed United States pilots and protect our troops. While the Special Guerrilla Units may have operated in secret, their efforts, courage and sacrifices have not been kept secret for far too long.

The word Hmong means “free people,” and celebrations such as this commemoration will raise awareness of the loyalty, bravery and independence exhibited by the Hmong people.

Ms. STABENOW. It is important that the sacrifices made by the Hmong people are honored by all Americans. These rugged people, from the hills of Laos, paid a great cost because of their love of freedom and their support of the United States. It is estimated that over 40,000 Hmong died during the Vietnam War. Thousands more were forced to flee to refugee camps, and approximately 60,000 Hmong immigrated to the United States.

Mr. LEVIN. As the Senator from Michigan knows, thousands of Hmong immigrated to the United States after the Vietnam War. The transition to life in the United States has not always been easy, but the Hmong community has grown and is prospering. There are nearly 200,000 Hmong in the United States, and many of them live in our home State of Michigan. It is important that those who fought in the Special Guerrilla Units are honored for their actions. These units, like all those who served the cause of freedom, must know that we appreciate the great sacrifices made by the Special Guerrilla Units.

Ms. STABENOW. I would concur with my good friend that events such as the 6th Annual Commemoration of U.S. Lao-Hmong Special Guerrilla Units Veterans Recognition Day play an important role in recognizing the courageous veterans. This celebration will also educate future generations of Americans about the sacrifices made by this independent and freedom loving people. I know that my Senate colleagues will join me, and my colleague from the State of Michigan, in commending the Hmong Special Guerrilla Units for their bravery, sacrifice, and commitment to freedom.

Tribute to Lance Cpl. Sean M. Hughes

Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Lance Cpl. Sean Hughes of Milton, NH, who gave his life for our country July 10, 2001, when a Marine Corps helicopter participating in a training exercise went down in Sneads Ferry, NC.

Sean was a graduate of Nute High School in Milton, NH. He joined the Marine Corps on July 14, 1999, following the military tradition of his father and grandfather who both served as members of the United States Air Force. An extremely talented and highly intelligent Crew Chief with Marine Helicopter Squadron 365, Sean will always be remembered as the little boy who enjoyed watching planes take off and land at the flight line with his father. An artist, athlete, and committed Marine, friends each remember him as an exceptional person with a gentle heart. Those who knew him best described him as “irreplaceable,” “a dear friend,” and one that has “enriched their lives simply by having known him.” His constant smile will not soon be missed, as will his unwavering devotion to this country.

As a fellow veteran, I commend Sean for his service in the U.S. Marine Corps. Hundreds of Marines, friends, and family lost a devoted scholar, friend, brother, and son. The people of New Hampshire and the country lost an honorable soldier with a deeply held sense of patriotism. The determination and devotion he possessed as a Marine, and an individual, will not soon be forgotten.

I send my sincere sympathy and prayers to Sean’s family and wish them Godspeed during this difficult time in their lives. It is truly an honor to have represented Lance Cpl. Hughes in the U.S. Senate.

Strand Family Farm 100th Anniversary Tribute

Mr. DORGAN. Mr. President, I pay tribute today to a North Dakota family that exemplifies the spirit of rural life and all that it contributes to our Nation. The Strand family, of Regan, ND, will this week celebrate 100 years on their farm.

Andrew and Anna Strand arrived in North Dakota in 1901, brought by emigrant train to Wilton, ND. Then, with
only a team of horses, a wagon, a walking breaking plow, a disc, and a drill. And a team was set about making a home in the small community of Regan.

From those meager beginnings, Anna and Andrew raised a family of six children and, just like thousands of other North Dakotans at that time, they built a successful family farm. And the land worked so well that eventually created hardy communities from the prairie.

Today, the family farm is still being farmed by Andrew and Anna’s grandchildren and great-grandchildren. Four generations of Strands have farmed, and the land over the last century. As anyone who knows will tell you, farming is hard work. And the family farm has kept that tradition going through everything from the Great Depression to droughts and floods. The family survived even the leanest years, times in the early part of the last century when there was only one good paying crop out of every 7 years.

While some have stayed to continue to work the land, others in the Strand family have built lives and careers that contribute to our State, regional, and national life in a variety of other ways. Andrew and Anna’s descendants have worked in healthcare, education, music, public affairs, and agribusiness, to name only a few.

Anna and Andrew’s children left their mark on our society in a profound way. Einar Strand helped build the United Nations building in New York. Norton was involved in the agricultural industry throughout North Dakota, South Dakota, Minnesota, and Montana. He became the head administrator at Ballard Hospital in Seattle, WA. Both Arthur and Barney, worked the farm as well as the market before them. Today, Barney, Jr., and his son Richard continue the tradition of farming on the original Strand homestead.

The Strand family also contributed to community life in many ways. In the early days, when help was needed in the fledgling community, the Strand family was there; helping the local doctor on his daily rounds during the influenza outbreak of 1918, helping to build the first local schoolhouse, building a neighborhood park and more.

Families like the Strand demonstrate the importance of preserving the family farm and our rural communities. They also remind us that family farms produce more than the food that feeds our Nation and the world. Family farms also produce hardy, enduring families that make our communities and our nation strong.

I congratulate them as they celebrate this 100-year anniversary of life on the family farm, and extend the hope that the Strand family will continue the tradition that Andrew and Anna started a century ago.

IN RECOGNITION OF CORNERSTONES COMMUNITY PARTNERSHIPS IN THE 2001 SMITHSONIAN FOLKLIFE FESTIVAL

- Mr. DOMENICI. Mr. President, I rise today to recognize the skill and artistry of those involved in the 2001 Smithsonian Folklife Festival. Specifically, the festival focused on the Masters of Building Arts program featuring craftspersons skilled in the various styles of the building trades.

I am pleased to announce that Cornerstones Community Partnerships of Santa Fe, NM, participated in this annual celebration of folk art. Cornerstones Community Partnerships is a nonprofit organization serving to continue the unique culture and traditions of the southwest through preservation of traditional building techniques.

As part of the festival, Cornerstones presented two restoration projects, the San Esteban del Rey Church in Acoma, Pueblo, NM, and the San Jose Mission in Upper Rociada, NM. Both presentations highlighted the rich cultural techniques used in New Mexican architecture.

I commend the skills of these artists and artisans that participated in the folklife festival. They truly preserve our link to the past.

CLEVELAND INDIANS 100 YEAR ANNIVERSARY

- Mr. DeWINE. Mr. President, today I am here on the Floor to recognize the Cleveland Indians because this year, the team is celebrating an incredible achievement, both for baseball and our American culture. On April 24th, the Indians celebrated their 100th Anniversary.

Over the last century, Indians fans have seen their team win two World Series and five American League Pennants. One of my most vivid baseball memories is the 1954 World Series, which I attended with my dad when I was seven years old.

I think the inaugural Indians manager, James McAleer, would have been proud to lead the Tribe teams of the past five years in their string of five Central Division Titles and two World Series appearances. The Indians claim 22 players in the Hall of Fame, including the following:

Nap Lajoie, Tris Speaker, Cy Young (1937); Jesse Burkett (1946); Bob Feller (1962); Elmer Flick, Sam Rice (1963); Stan Coveleski (1969); Lou Boudreau (1970); Satchel Paige (1971); Early Wynn (1972); Ralph Kiner (1975); Bob Lemon (1976); Joe Sewell, Al Lopez (1977); Addie Joss (1982); Hoyt Wilhelm (1978); Gaylord Perry, Bill Veeck (1981); Phil Niekro (1990); Larry Doby (1998).

Additionally, the Indians have retired the numbers of six players, including:

Bob Lemon (21); Earl Averill (3); Lou Boudreau (5); Larry Doby (14); Mel Harder (18); Bob Feller (19).

Adding to these accomplishments, by the end of the 2000 season, the team had racked up 7,886 total wins. Also, the Indians are just one of four American League teams to spend their entire history in one city. The Indians have been loyal to their fans, and the fans have, in turn, been loyal to their team. After Jacob’s Field was built in 1994, fans responded by selling out 455 consecutive games. And, the Indians led Major League Baseball in attendance last year for the first time since 1948.

The Indians are a treasure for the City of Cleveland and the State of Ohio, but I also believe the Indians hold a larger significance for America. Walt Whitman once wrote that baseball was “America’s game... it belongs as much to our institutions, fits into them as significantly as our Constitution’s laws... and it is just as important in the sum total of our historic life.” I think Whitman had it absolutely right. Baseball is a vital part of our American culture, and for 100 years, the Cleveland Indians have served as an outstanding ambassador for the sport of baseball.

I congratulate the Cleveland Indians on a century of rich history, loyal fans, and great success. I hope that my colleagues will join me in wishing the Indians the best of luck in the next 100 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in session execution the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

The nominations received today are printed at the end of the Senate proceedings.

MESSAGES FROM THE HOUSE

At 2:17 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 bill, in which it requests the concurrence of the Senate:

H.R. 2500. An act making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002, and for other purposes.

At 5:52 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. 7. An act to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets.

MEASURES REFERRED
The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 7. An act to provide incentives for charitable contributions by individuals and businesses, to improve the effectiveness and efficiency of government program delivery to individuals and families in need, and to enhance the ability of low-income Americans to gain financial security by building assets; to the Committee on Finance.

MEASURES PLACED ON THE CALENDAR
The following joint resolution was read the second time, and placed on the calendar:

H.J. Res. 36. Joint resolution proposing an amendment to the Constitution of the United States authorizing the Congress to prohibit the physical desecration of the flag of the United States.

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-2902. A communication from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Airbus Model A300 B4-600, B4-600R, B4-600,” (RIN2120–AA64)(2001–0292) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC-2903. A communication from the Assistant Director for Budget and Administration, Executive Office of the President, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Bombardier Model CL 600 2B19 Series Airplanes” ((RIN2120–AA64)(2001–0293)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.


EC-2913. A communication from the Committee on Commerce, Science, and Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Rolls Royce Engines” ((RIN2120–AA64)(2001–0294)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.


EC-2916. A communication from the Committee on Commerce, Science, and Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Construcciones Aeronauticas, SA Model CN 235 Series Airplanes” ((RIN2120–AA64)(2001–0296)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC-2917. A communication from the Committee on Commerce, Science, and Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Raytheon Model Hawker 1000EX Series Airplanes” ((RIN2120–AA64)(2001–0298)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC-2918. A communication from the Committee on Commerce, Science, and Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Dassault Model Mystere-Falcon 900 and 900EX Series Airplanes” ((RIN2120–AA64)(2001–0289)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC-2919. A communication from the Committee on Commerce, Science, and Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Dassault Model Mystere-Falcon 900 and 900EX Series Airplanes” ((RIN2120–AA64)(2001–0289)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC-2920. A communication from the Committee on Commerce, Science, and Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Bell Helicopter Textron Canada Model 407 Helicopters; Rescission” ((RIN2120–AA64)(2001–0286)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.


transmitting, pursuant to law, the report of a rule entitled "Establishment of Jet Route J T13" ((RIN2120–AA66)(2001–0114)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2929. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; La Fayette, GA" ((RIN2120–AA66)(2001–0105)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2928. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Hagerstown, MD" ((RIN2120–AA66)(2001–0103)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2927. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Greensboro, NC" ((RIN2120–AA66)(2001–0102)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2926. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Heber City, UT" ((RIN2120–AA66)(2001–0113)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2925. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Kingman, AZ" ((RIN2120–AA66)(2001–0112)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2924. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Las Vegas, NV" ((RIN2120–AA66)(2001–0110)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2923. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Kingman, AZ" ((RIN2120–AA66)(2001–0111)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2922. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Las Vegas, NV" ((RIN2120–AA66)(2001–0109)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2921. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Kingman, AZ" ((RIN2120–AA66)(2001–0108)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2920. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Las Vegas, NV" ((RIN2120–AA66)(2001–0107)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2919. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Kingman, AZ" ((RIN2120–AA66)(2001–0106)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2918. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Las Vegas, NV" ((RIN2120–AA66)(2001–0105)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2917. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Kingman, AZ" ((RIN2120–AA66)(2001–0104)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2916. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Las Vegas, NV" ((RIN2120–AA66)(2001–0103)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2915. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Kingman, AZ" ((RIN2120–AA66)(2001–0102)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.

EC–2914. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Alignment of the U.S. Civil Enroute Domestic Airspace Area, Las Vegas, NV" ((RIN2120–AA66)(2001–0101)) received on July 13, 2001; to the Committee on Commerce, Science, and Transportation.
Whereas, Congressional funding for re-
search by the National Institutes of Health on Duchenne and Becker muscular dystrophy does not reflect the severity of this disease, the importance of finding a cure, or the po-
tential benefit that research in this area could have on other similar disorders; and
Whereas, To save lives and improve the quality of life for those already afflicted by this disease, it is imperative that the federal government take the initiative to increase funding for the research of Duchenne and Becker muscular dystrophy and, therefore, be it further resolved,

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to increase the funding for the research of Duchenne and Becker muscular dystrophy; and, be it further resolved,

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States and the president of the United States, to the Congress of the United States to consider the removal of trade, financial, and travel restrictions relating to Cuba; and, be it further

Resolved, That the Texas Legislature urge the congress to rectify the funding imbalance that Texas has historically experienced from the federal government, as evident in the fact that, although Texas handles 80 percent of all NAFTA-related traffic and is the second largest state in the nation, it has been awarded only 15 percent of the federal funds allocated for high-priority trade corridors; and, be it further

Resolved, That the Texas Legislature urge the congress and the president to reaffirm their commitment to public safety in Texas by earmarking $4 billion for critical NAFTA-related planning, capacity, and right-of-way acquisition needs and $3 billion for infrastructure improvements and construction projects at border ports of entry; and, be it further

Resolved, That the Texas Legislature urge the congress and the president to reaffirm the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

Resolved—127. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to the removal of trade, financial, and travel restrictions relating to Cuba; to the Committee on Foreign Relations.

Senate Concurrent Resolution No. 54

Whereas, The relationship between the United States and Cuba has long been marked by tension and confrontation; further heightening this hostility is the 40-year-old United States trade embargo imposed by the Congress, in effect since January 3, 1962; and, from 1996 to 1997, the number of drug cases filed in the Western District of Texas increased 64 percent and 100 percent in the Southern District of Texas.

Whereas, Judicial resources in the five southwestern border districts have increased by only four percent, and since 1996, congress has not approved any new judges for the Western District of Texas, which leads the nation in the filing of drug cases; and
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July 19, 2001

Whereas, As a result of the federal courts being inundated with unprecedented numbers of new drug and illegal immigration indictments, the federal authorities no longer prosecute offenders caught with less than a substantial amount of cocaine. Federal cases are instead referred to the local district attorneys in the border counties of Texas to prosecute; and

Whereas, To date, local governments in the border counties, who are among the poorest in the United States, are being overwhelmed with the costs involved in prosecuting and incarcerating federal criminals; and

Whereas, The annual cost to prosecute these federal criminal cases ranges from $2.7 million to approximately $8.2 million per district attorney jurisdiction, and it is anticipated that the total cost will reach $25 million per year; and

Whereas, The federal government has infinately more resources than state and local governments and in turn must shoulder a larger portion of the financial burden; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas respectfully urge the Congress of the United States to authorize an additional 18 federal judges and commensurate staff to handle the current and anticipated caseloads along the United States-Mexico border and to fully reimburse local governments for the costs incurred in prosecuting and incarcerating federal defendants; and

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the Senate of the United States Congress, and to all the members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–129. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to the federal regulation of the three-shell shotgun, whereupon the three-shell limit and the magazine plug requirement is no longer necessary and should be discontinued; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to repeal the federal regulation relating to the three-shell limit and the magazine plug requirement found in 50 C.F.R. Section 20.21; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

Whereas, Under recent federal action, the Federal Aviation Administration require buses and commercial trucks to produce 95 percent less pollution than today’s buses and trucks and will require the amount of sulfur in diesel fuel to be reduced; these measures alone are expected to cut air pollution by as much as 95 percent; and

Whereas, At issue is the fact that the low-sulfur fuel will not go into effect before 2006, and diesel fuel engine manufacturers will have flexibility in meeting the new emission standards due to phase in between 2005 and 2007 as the rate of turn over among commercial fleets means that these federal emission control measures will likely have little impact until several years after that, when a sufficient number of these trucks and buses are in operation; and

Whereas, Currently, the State of Texas has nine metropolitan areas that either have been designated as nonattainment areas by the EPA or are close to exceeding the National Ambient Air Quality Standards (NAAQS) for one or more of the regulated pollutants; these nonattainment or near-nonattainment areas have been given strict time lines for their emission reduction efforts based on the severity of pollution in the area; and

Whereas, Because of the lengthy time lines for these metropolitan areas,湘西 controlled sources, the federally mandated attainment date for some NAAQS nonattainment regions in Texas, such as the Houston-Galveston-Brazoria area, will arrive long before the effects of federal air quality improvement efforts can be realized; and

Whereas, Texas is forced to require state-controlled emission sources to make significant reductions in pollution in a relatively short period of time while federally controlled sources continue to contaminate the state’s environment; and

Whereas, The incongruence in the federal and state time lines for emission reductions places an undue burden on the state to lower air pollution significantly enough to be in attainment with the NAAQS without a corresponding decrease in emissions from any of the myriad federally controlled emission sources; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to require the three-shell limit and magazine plug requirement to enter a Memorandum of Understanding concerning recovery of the Arkansas River shiner with the states of Texas and

Whereas, During the late 19th and early 20th centuries, the harvesting of migratory game birds such as the current federal threatened species, the Arkansas River shiner (Notropis girardi), a minnow whose present range includes portions of the Canadian River in Texas, as a threatened species pursuant to the federal Endangered Species Act; and

Whereas, This state’s Parks and Wildlife Department recommended against listing the Arkansas River shiner as an endangered species in the Arkansas River basin—including over 100 miles of the Canadian River in Oldham, Potter, and Hemphill counties in Texas—as crucial to their survival; and

Whereas, This state’s Parks and Wildlife Department recommended against listing the Arkansas River shiner as an endangered species in the Arkansas River basin—including over 100 miles of the Canadian River in Oldham, Potter, and Hemphill counties in Texas—as crucial to their survival; and

Whereas, The Fish and Wildlife Service of the United States Department of the Interior listed the Arkansas River shiner (Notropis girardi), a minnow whose present range includes portions of the Canadian River in Texas, as a threatened species pursuant to the federal Endangered Species Act; and

Whereas, Subsequent rules adopted on April 4, 2001, which follow from policy reconsideration stipulated in an agreed settlement in 1998, require 1.14 million additional pounds of女友 in the Arkansas River basin—including over 100 miles of the Canadian River in Oldham, Potter, and Hemphill counties in Texas—as crucial to their survival; and

Whereas, This state’s Parks and Wildlife Department recommended against listing the Arkansas River shiner as an endangered species in the Arkansas River basin—including over 100 miles of the Canadian River in Oldham, Potter, and Hemphill counties in Texas—as crucial to their survival; and

Whereas, The Fish and Wildlife Service recommended against listing the Arkansas River shiner as an endangered species in the Arkansas River basin—including over 100 miles of the Canadian River in Oldham, Potter, and Hemphill counties in Texas—as crucial to their survival; and

Whereas, One regulation adopted to curtail the harvest of endangered species is the three-shell limit and the magazine plug requirement; a shotgun can hold to no more than three and requires shotgun magazines to have a plug to effect the three-shell limit; and

Whereas, In the ensuing years, additional regulations have been enacted to protect migratory game birds, such as the current federal and state daily or seasonal bag limits that could be killed or possessed by a hunter, making the three-shell limit and the magazine plug requirement unnecessary and archaic; and

Whereas, Enforcing outdated regulations wastes limited law enforcement resources that could be better utilized enforcing other hunting laws, such as bag limits; and

Whereas, A game bird wounded by a third shot that cannot subsequently be killed by a fourth shot suffers an inhumane death and is a waste of game resources; and

Whereas, The greater frequency of loading a shotgun necessitated by the three-shell limit creates a safety hazard for the hunter; and

Whereas, Because migratory game birds can be protected by other federal and state regulations, the enforcement of the three-shell limit and magazine plug requirement is no longer necessary and should be discontinued; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to repeal the federal regulation relating to the three-shell limit and the magazine plug requirement found in 50 C.F.R. Section 20.21; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.
Whereas, the reduction of pollution and the protection of the environment is of great concern to both the federal government and the Texas Legislature; and
Whereas, To protect its natural resources and environment as effectively as possible, Texas should enhance its role in the implementation of federal regulations; and
Whereas, The current command-and-control approach instituted by the United States Environmental Protection Agency to minimize pollution at the state level through the use of a federally mandated permitting process has proven to be moderately successful at reducing pollution, but it is also an overly prescriptive process that is unduly burdensome and costly to both the states and the regulated facilities relative to the results achieved, too;
Whereas, Alternative paradigms are available, including outcome-based assessment methods that allow the state to measure the actual abatement of pollution rather than just the potential reduction by simply monitoring each facility’s compliance with its permit; and
Whereas, States should be given greater latitude for the innovative regulatory programs and other pollution reduction methods that vary from the current model, which requires states to adhere strictly to the federally mandated permitting process; and
Whereas, Providing this flexibility would allow states such as Texas to tailor appropriate and effective approaches to state-specific environmental problems rather than expending resources to ensure compliance with one-size-fits-all regulations that place an inordinate emphasis on procedural detail; now, therefore, be it
Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the United States Environmental Protection Agency to provide maximum flexibility to the states in the implementation of federal environmental programs and regulations; and
Resolved, That the Texas secretary of state forward official copies of this resolution to the administrative director of the United States Environmental Protection Agency, to the president of the United States Congress, and to all the members of the Texas delegation to the Congress of the United States to the president of the United States; and, be it further
Resolved, That the 77th Legislature of the State of Texas urge the Parks and Wildlife Department and the Office of the Attorney General to take all reasonable steps to ensure that portions of the Canadian River in Texas be designated as critical habitat only to the extent that such designation is absolutely necessary, scientifically justifiable, and economically prudent; and, be it further
Resolved, That the Texas secretary of state forward official copies of this resolution to the secretary of the interior, to the president of the House of Representatives and the president of the Senate of the Legislature of the State of Texas urge the Parks and Wildlife Department and to the attorney general of Texas.

POM–132. A concurrent resolution adopted by the Senate of the Legislature of the State of Texas relative to the reduction of pollution and the protection of the environment through the implementation of federal regulations to the Committee on Environment and Public Works.

SENATE CONCURRENT RESOLUTION NO. 22
Whereas, The reduction of pollution and the protection of the environment is of great concern to both the federal government and the Texas Legislature; and
Whereas, To protect its natural resources and environment as effectively as possible, Texas should enhance its role in the implementation of federal regulations; and
Whereas, The current command-and-control approach instituted by the United States Environmental Protection Agency to limit pollution at the state level through the use of a federally mandated permitting process has proven to be moderately successful at reducing pollution, but it is also an overly prescriptive process that is unduly burdensome and costly to both the states and the

POM-133. A concurrent resolution adopted by the House of the Legislature of the State of Texas relative to amending provisions of the Internal Revenue Code of 1986, as added by PL 106–230, to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 77
Whereas, In an act meaningfully advancing the health care agenda, Public Law 106–230 took effect July 1, 2000, four days after its introduction; the rapidity of its passage through congress reflected the lawmakers’ sense of urgency to act, but it also suggests that adequate time was not provided for deliberation of the full ramifications of certain provisions; and
Whereas, The goal of this legislation was to respond to certain political organizations, known as “stealth PACs,” that were able to raise and spend unlimited amounts of money for political advocacy without having to disclose the sources and amounts of donations, all while enjoying tax-exempt status; and
Whereas, While the Texas Legislature supports equal opportunity for all, it is also concerned about potential conflicts of interest in its implementation of federal regulations and disclosure requirements on local and state candidates, their campaign committees, and

POM-134. A concurrent resolution adopted by the Senate of the Legislature relative to amending provisions of the Internal Revenue Code of 1986, as added by PL 106–230, to the Committee on Senate Finance.

SENATE CONCURRENT RESOLUTION NO. 37
Whereas, Almost 90 percent of all health insurance is paid for by and through employer programs, providing the majority of American workers with affordable access to health care; and
Whereas, Generous federal tax code provisions that make employer contributions to employer-provided health insurance fully deductible from federal individual income taxes allow employees participating in such plans to purchase the coverage they need in a cost-effective manner; and
Whereas, Some employers benefit from the health insurance they offer employees since the tax code also allows them to deduct the cost of the health insurance they offer employees from their corporate income taxes as a business expense; and
Whereas, Not everyone is fortunate enough to be able to participate in an employer-provided health plan, and those who purchase private health insurance do not receive tax breaks of any kind, for example, a dollar in pretax wages may buy only 50 cents’ worth of health insurance after federal, state, and local taxes are taken out; and
Whereas, Congress has responded to this issue with the 1999 Omnibus Appropriations Act, which gives a 60 percent tax deduction for active employees and self-employed; this deduction is scheduled to rise to 100 percent by 2003; and

CONGRESSIONAL RECORD—SENATE
Whereas, For individuals who purchase private health insurance and bear the full cost of a policy without the benefit of an employer's contributions, this deduction does little to make that private insurance affordable, since tax deductions provide a less substantial tax break than tax credits; while a tax deduction is subtracted from the person's bottom line of taxes owed; and

Whereas, Tax credits will give consumers more choice in health plans because employ- ees working in limited insurance offered by employers; furthermore, con- sumers who bought their own private health insurance could maintain their coverage even if they changed jobs without any lapse in coverage; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to provide tax credits to individuals buying private health insurance; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the Speaker of the House of the Legislature of the State of America.

POM-135. A concurrent resolution adopted by the House of the Legislature of the State of Texas relative to amending the Internal Revenue Code of 1986 to allow for the issuance of tax-exempt bonds for the purpose of financing control facilities in nonattainment areas; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION NO. 226

Whereas, The Houston-Galveston-Brazoria (HGB) area is classified as a serious non- attainment area and the Beaumont-Port Arthur (BPA) area is classified as a moderate nonattainment area for the one-hour ozone standard, and environmentalists believe that control facilities in these areas would significantly improve the air quality of the Houston-Galveston-Brazoria and Beaumont-Port Arthur areas to meet applicable National Ambient Air Quality Standards and avoid future sanctions; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to amend the Internal Revenue Code of 1986 to allow for the issuance of tax-exempt facility bonds to finance the building of emission control facilities that are used for the public good, such as airports, water plants, sewage and solid waste systems, and some hazardous waste facilities; however, since 1986, such bond issues have no longer been authorized for air pollution control facilities; and

Whereas, The reduction of air pollution clearly benefits all residents of the state, and nonattainment areas are mandated by the federal government in nonattainment areas; given the severity of the up-front financial costs that are to be incurred in order to reduce the air contaminant emissions in Texas nonattainment areas, restoring the previous provision that allowed the issuance of tax-exempt facility bonds for controls facilities would significantly enhance the ability of regions such as the Houston-Galveston-Brazoria and Beaumont-Port Arthur areas to meet applicable National Ambient Air Quality Standards and avoid future sanctions; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to amend the Internal Revenue Code of 1986 to allow for the issuance of tax-exempt facility bonds for the purpose of financing air pollution control facilities in nonattainment areas and to provide that such tax-exempt facility bonds issued during the years of 2003, 2004, 2005, 2006, or 2007 for the construction of such air pollution control facilities not be subject to the volume cap requirements; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the Speaker of the House of the Representatives and the president of the Senate of the United States, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States to provide tax assistance; and

Whereas, While pollution control tech- nologies can be effective in reducing emissions, the very nature of technology that many companies are required to purchase by the ozone SIP can cause a tremendous financial strain on an individual entity and affect entire indus- tries; and

Whereas, Some industries, including agri- cultural, chemical production, gasoline terminals, and oil and natural gas production and processing, are required to install costly maximum achievable control tech- nology in order to be in compliance with the ozone SIP; and

Whereas, The Texas Gulf Coast has a crude operating capacity of 3.462 barrels of refined petroleum products per calendar day, i.e. 84.6 percent of the Texas total and 21.9 percent of the U.S. total; and

Whereas, The HGB area is home to more than 400 chemical plants employing more than 38,200 people and the BPA area is home to numerous chemical plants and industrial operations employing more than 20,000 people; and

Whereas, The Houston Gulf Coast has nearly 49 percent of the nation's base petrochemicals manufacturing capacity; this is more than quadruple the manufacturing ca- pacity of its nearest U.S. competitor; and

Whereas, Many of the commodities pro- duced in this area are distributed throughout the nation, yet, while the entire country benefits from the petroleum refining and pe- troleum products industries, each industry must bear the up-front costs of environ- mental compliance while faced with global competition without significant federal assistance; and

Whereas, Currently, the federal govern- ment authorizes the issuance of tax-exempt facility bonds to finance the building of in- stallations that are used for the public good, such as airports, water plants, sewage and solid waste systems, and some hazardous waste facilities; however, since 1986, such bond issues have no longer been authorized for air pollution control facilities; and

Whereas, The average per-recipient reim- bursement for the border region is 16 percent less than the statewide average, which cre- ates a disincentive for health care providers to serve and provide some Medicaid, clients in the region; furthermore, low reim- bursement rates also limit access to health care as existing providers either leave the program or limit their participation; and

Whereas, The unique issues facing the border may not be apparent when evaluations of the state as a whole mask discrepancies be- tween the border and the rest of the state; calculating the federal share of the state's Medicaid costs, or the Federal Medical Assistance Percentage (FMAP), using the state's per capita income may not provide an accurate assessment of the border region's needs; and

Whereas, Establishing a separate FMAP for the border region would recognize these unique circumstances and allow current state Medicaid funding in the region to draw down additional federal funds that would help eliminate the reimbursement disparity; and

Whereas, Unless this disparity is resolved, the region will continue to suffer from an in- adequate health care infrastructure that is unable to address the health needs of the border residents; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby respectfully urge the Congress of the United States to establish a separate Federal Medical Assistance Percentage for the Texas-Mexico border region; and, be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the

CONGRESSIONAL RECORD—SENATE July 19, 2001
Whereas, This nation’s domestic oil and gas production is down to 2 trillion barrels per day during the last 13 years, a 17 percent decline, at the same time that domestic consumption of oil has increased by more than 14 percent per day.

Whereas, Currently, the United States imports approximately 55 percent of the oil needed for the American economy, while the demand for foreign oil is projected to increase by more than 35 percent and the demand for natural gas is projected to increase by more than 45 percent over the next two decades.

Whereas, Much of the nation’s greatest potential for future domestic production lies in areas that are currently off limits to oil and natural gas exploration and development, including areas under congressional or presidential moratoria in the federal Outer Continental Shelf (OCS), where vast amounts of oil and natural gas may be available for extraction; and

Whereas, For the first time since 1988, the Minerals Management Service, a bureau of the United States Department of the Interior that manages the nation’s oil, gas, and other mineral resources in the OCS, has proposed an OCS lease sale for the eastern Gulf of Mexico; and

Whereas, Numerous positive economic benefits for the State of Texas have been created by oil and gas industry activities in the Gulf, and many of the exploration and production companies that would participate in the OCS Lease Sale 181 are headquartered in Texas as are many of the oil field supply and service companies that would benefit by increased activities; and

Whereas, The economic benefits that would result from oil and natural gas exploration, development, and production of leases acquired in OCS Lease Sale 181 would continue to benefit the State of Texas and all the states bordering the Gulf of Mexico; now, therefore, be it

Resolved, That the 77th Legislature of the State of Texas hereby declare support for the Minerals Management Service plan to proceed with the Outer Continental Shelf Lease Sale 181 for the eastern Gulf of Mexico scheduled for December 5, 2001; and be it further

Resolved, That the Texas Legislature respectfully memorialize the Congress of the United States to take appropriate action to prevent further desecration of the SS Leopoldville or any of its contents; and be it further

Resolved, That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the Senate of the United States Congress, and to all the members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.

POM–137. A concurrent resolution adopted by the House of the Legislature of the State of Texas relative to the SS Leopoldville; to the Committee on Energy and Natural Resources.

CONGRESSIONAL RECORD—SENATE

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. DODD (for himself, Mr. LIEBERMAN, and Mr. SESSIONS):

S. 1198. A bill to reauthorize Franchise Fund Pilot Programs; to the Committee on Governmental Affairs.

By Mrs. HUTCHISON (for herself, Mr. BREAWS, Ms. COLLINS, Mr. BACUS, Mr. CHAFFE, Ms. LANDRIEU, Mr. LOTT, Mr. CONRAD, Mr. MURKOWSKI, Mr. ALARD, Mr. BROWNACK, Mr. COCHRAN, Mr. DOMENICI, Mr. GRAMM, Mr. ENZI, Mr. HELMS, Mr. HUTCHISON, Mr. INHOFE, Mr. NICKLES, Mr. STEVENS, and Mr. THOMAS):

S. 1199. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for marginal domestic oil and natural gas well production and an election to expense geological and geophysical expenditures and drilling and rental payments; to the Committee on Finance.

By Mr. CLELAND (for himself and Mr. LIEBERMAN):

S. 1300. A bill to direct the Secretaries of the military departments to conduct a review of military service records to determine
whether certain Jewish American war veterans, who have received an organ transplant, are eligible for benefits under the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished for immunosuppressive drugs furnished to beneficiaries under the medicare program that have received an organ transplant.

By Mr. SCHUMER:

S. 1203. A bill to amend title 38, United States Code, to provide housing loan benefits for the purchase of residential cooperative apartment units; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURBIN (for himself, Mr. ROCKEFELLER, Mr. EDWARDS, Mr. BIDEN, Mr. DOROSAN, Mr. JOHNSON, and Mr. LEVIN):

S. 1204. A bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the medicare program that have received an organ transplant; to the Committee on Finance.

By Mr. BENNETT:

S. 1205. A bill to adjust the boundaries of the Mount Nebo Wilderness Area, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. VOINIOVICH (for himself, Mr. INHOFE, Mr. FIEZ, and Mr. MCCONNELL):

S. 1206. A bill to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes; to the Committee on Environment and Public Works.

By Mr. DODD:

S. 1207. A bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Albuquerque, New Mexico, metropolitan area; to the Committee on Veterans' Affairs.

By Mr. GRAHAM (for himself, Mr. GRASSLEY, Mr. LIEBERMAN, Mr. DURBIN, Ms. LANDRIEU, Mrs. CLINTON, and Mr. SCHUMER):

S. 1208. A bill to combat the trafficking, distribution, and abuse of Ecstasy and other club drugs in the United States; to the Committee on the Judiciary.

By Mr. BINGAMAN (for himself, Mr. BAUCUS, Mr. DASCHLE, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BREAUX, Mr. KERRY, Mr. TORICICLILL, Mrs. LINCOLN, Mr. JEFFORDS, Mr. BAYH, Mr. DAYTON, and Mr. LIEBERMAN):

S. 1209. A bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes; 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 Mr. DASCHLE (for himself and Mr. LOTTI):

S. Res. 137. A resolution to authorize representation by the Senate Legal Counsel in John Hoffman, et al. v. James Jeffords; considered and agreed to.

ADDITIONAL COSPONSORS

S. 242

At the request of Mr. BINGAMAN, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 242, a bill to authorize funding for University Nuclear Science and Engineering Programs at the Department of Energy for fiscal years 2002 through 2006.

S. 367

At the request of Mrs. BOXER, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 367, a bill to prohibit the application of certain restrictive eligibility requirements to foreign nongovernmental organizations with respect to the provision of assistance under part I of the Foreign Assistance Act of 1961.

S. 392

At the request of Mr. SARBANES, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 392, a bill to grant a Federal Charter to Korean War Veterans Association, Incorporated, and for other purposes.

S. 501

At the request of Mr. GRAHAM, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 501, a bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, to restore the ability of States to transfer up to 10 percent of TANF funds to carry out activities under such block grant, and to require an annual report on such activities by the Secretary of Health and Human Services.

S. 555

At the request of Mr. DODD, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 555, a bill to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes.

S. 567

At the request of Mr. SESSIONS, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 567, a bill to amend the Internal Revenue Code of 1986 to provide capital gain treatment under section 631(b) of such Code for outright sales of timber by landowners.

S. 620

At the request of Mr. HARKIN, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 620, a bill to amend the Elementary and Secondary Education Act of 1965 regarding elementary school and secondary school counseling.

S. 661

At the request of Mr. THOMPSON, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 661, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3 cent motor fuel exercise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 826

At the request of Mrs. BOXER, the name of the Senator from California (Mrs. MURRAY) was added as a cosponsor of S. 826, a bill to amend title XVIII of the Social Security Act to eliminate cost-sharing under the medicare program for bone mass measurements.

S. 829

At the request of Mr. BROWNBACK, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 829, a bill to establish the National Museum of African American History and Culture within the Smithsonian Institution.

S. 836

At the request of Mr. CRAIG, the name of the Senator from South Carolina (Mr. HELMS) was added as a cosponsor of S. 836, a bill to amend title XI of the Social Security Act to provide for coordination of implementation of administrative simplification standards for health care information.

S. 852

At the request of Mrs. FEINSTEIN, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 852, a bill to support the aspirations of the Tibetan people to safeguard their distinct identity.

S. 880

At the request of Mrs. LINCOLN, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 880, a bill to amend title XVIII of the Social Security Act to provide adequate coverage for immunosuppressive drugs furnished to beneficiaries under the medicare program that have received an organ transplant, and for other purposes.

S. 905

At the request of Mr. HARKIN, the names of the Senator from Minnesota
(Mr. Wellstone) and the Senator from Michigan (Ms. Stabenow) were added as cosponsors of S. 905, a bill to provide incentive for school construction, and for other purposes.

S. 942

At the request of Mr. Graham, the name of the Senator from New Mexico (Mr. Domеничі) was added as a cosponsor of S. 942, a bill to authorize the supplemental grant for population increases in certain states under the temporary assistance to needy families program for fiscal year 2002.

S. 999

At the request of Mr. Bingaman, the name of the Senator from New York (Mr. Schumer) was added as a cosponsor of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1017

At the request of Mr. Dodd, the name of the Senator from South Dakota (Mr. Johnson) was added as a cosponsor of S. 1017, a bill to provide the people of Cuba with access to food and medicines from the United States, to ease restrictions on travel to Cuba, to provide scholarships for certain Cuban nationals, and for other purposes.

S. 1018

At the request of Mr. Levin, the names of the Senator from Vermont (Mr. Leahy) and the Senator from Massachusetts (Mr. Kennedy) were added as cosponsors of S. 1018, a bill to provide market loss assistance for apple producers.

S. 1075

At the request of Mr. Biden, the name of the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 1075, a bill to extend and modify the Drug-Free Communities Support Program, to authorize a National Community Health Coalition Support Program, to authorize a National Community Antidrug Coalition Support Program, and for other purposes.

S. 1109

At the request of Mr. Feingold, the name of the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 1109, a bill to streamline the regulatory processes applicable to home health agencies under the Medicare program under title XVIII of the Social Security Act and the Medicaid program under title XIX of such Act, and for other purposes.

S. 1195

At the request of Mr. Sarbanes, the name of the Senator from Rhode Island (Mr. Reed) was added as a cosponsor of S. 1195, a bill to amend the National Housing Act to clarify the authority of the Secretary of Housing and Urban Development to terminate mortgage origination approval for poorly performing mortgagees.

At the request of Mr. Sarbanes, the name of the Senator from Nevada (Mr. Reid) was withdrawn as a cosponsor of S. 1196, supra.

S. Res. 109

At the request of Mr. Reed, the name of the Senator from Delaware (Mr. Carper) was added as a cosponsor of S. Res. 109, a resolution designating the second Sunday in the month of December as “National Children’s Memorial Day” and the last Friday in the month of April as “Children’s Memorial Flag Day.”

S. Con. Res. 52

At the request of Mr. Corzine, the name of the Senator from Minnesota (Mr. Dayton) was added as a cosponsor of S. Con. Res. 52, a concurrent resolution expressing the sense of Congress that reducing crime in public housing should be a priority, and that the successful Public Housing Drug Elimination Program should be fully funded.

S. Con. Res. 59

At the request of Mr. Hutchinson, the names of the Senator from Maine (Mr. Collins) and Senator from Missouri (Mrs. Carnahan) were added as cosponsors of S. Con. Res. 59, a concurrent resolution expressing the sense of Congress that there should be established a National Community Health Center Week to raise awareness of health services provided by community, migrant, public housing, and homeless health centers.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. Dodd (for himself, Mr. Lieberman, and Mr. Sessions):

S. 1197. A bill to authorize a program of assistance to improve international building practices in eligible Latin American countries; to the Committee on Foreign Relations.

Mr. DODD. Mr. President, I rise today to introduce legislation that will improve building safety in Latin America, increase the cost-effectiveness of our disaster relief assistance, and, most importantly, save lives. As many of us know, throughout the last decade, the people of Latin America have been the victims of numerous natural disasters that have resulted in death, property damage, and destruction. Indeed, in the last three years the continent has been ravaged by Hurricane Mitch, earthquakes in El Salvador and Peru, and horrendous rains and mudslides. These disasters have exacted a tremendous toll on the region, causing over 12,000 deaths, $3 million in damage, and numerous injuries.

The cost to rebuild following these disasters is prohibitive and places a tremendous burden on the already struggling emerging economies of the region. For example, since the hurricane damage cost, the United States has frequently released disaster relief funds to help affected countries recover the injured, maintain order, and rebuild their infrastructure. For example, the combined assistance released by the United States following Hurricane Mitch and the recent earthquakes totals over $1.2 billion. I fully support these appropriations, and believe that we have a duty to assist our neighbors and allies when they are confronted with natural disasters. I do, however, believe that we can make this assistance more cost-effective in the long run, while saving lives.

As I stated, I fully support offering U.S. monetary assistance to rebuild following natural disasters. However, because much of Latin America does not utilize modern, up-to-date building codes, much of this assistance goes to waste. For example, following the earthquakes in El Salvador in 1986, the United States provided $58 million dollars to rebuild that country. Most of the fruitless effort was done by Colombian contractors, and these structures were not built to code. Now, 15 years later, following the most recent earthquakes in El Salvador, the United States offered over $100 million dollars in aid. Had Earthquake codes, much of this assistance goes to waste. For example, following the recent earthquakes in El Salvador and Ecuador, over $3 million over two years from general foreign aid funds to translate the International Code Council family of building codes, which are the standard for the United States, into Spanish. Furthermore, it would provide for the International Code Council’s proposal to train architects and contractors in El Salvador and Ecuador in the proper use of the code. By educating builders and providing them the necessary code for their work in their own language, it is only a matter of time before we will begin to see safer buildings in the region, and a return on our investment. The United States spent over $10 million in body bags, temporary tent housing, and first aid alone following the recent earthquakes in El Salvador. For a comparatively modest sum, $3 million, we can reduce the need for this type of aid by attacking the problem of shoddy building before it begins.

In addition, after this program has been implemented in El Salvador and Ecuador, it could easily be replicated in other Latin American countries at low cost, requiring only funding for the training program. While we want to start this program on a small scale, I am confident that other countries will request similar training programs in the future. In fact, other countries have already asked to be considered for
a future expansion of the program. The Inter-American Development Bank and UN have expressed interest in this idea, and additional candidates provide partial funding of any future expansion. Given this interest, it is highly likely that, in the future, a public-private partnership can be constructed to expand this program to Peru, Guatemala, and the rest of Spanish-speaking Latin America. Also, we cannot forget the valuable contributions that American volunteer organizations such as the International Executive Service Corps can make to this program in the long-run.

This legislation is supported by architects, contractors, and public officials both in the United States and in Latin America. Students of architecture in Latin America want to be taught proper standards and code application, and local governments have requested the code in Spanish. So, this is not a case of the “ugly” America imposing its will on Latin America. We have been asked to share this life-saving code with our Southern neighbors and, indeed, the number of requests from different countries has been staggering.

In short, this legislation will save lives, lessen the damage caused by future disasters, and illustrate our good will toward our Latin American allies while proving to be cost-effective for the United States through decreased aid following future disasters. For a detailed analysis of the problem, and this solution, I wish to draw my colleagues attention to an article by Steven Forneris, an American architect living in Ecuador, that appeared in “Building Standards” magazine. In it, Mr. Forneris argues the value of this proposal from his position at the front lines and quite clearly and frequently outlines why Latin America needs building code reform, and why it is in the best interests of the United States to involve itself in this endeavor.

The CASA Act is common-sense legislation that will dramatically improve the lives of citizens of our hemisphere, and represents a real chance for American leadership in the Hemisphere at very little cost. I hope that my colleagues will join me in this humanitarian effort.

I ask unanimous consent that Mr. Forneris’ article be printed in the RECORD.

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

[From Building Standards, March-April 2001]

Is It Wrong To Ask For Help On Building Codes?

(By Stephen Forneris)

I work in the field of architecture, part of the time in the City of Guayaquil, Ecuador, and the rest of the time in New York. Like everyone involved in this profession, one of my chief responsibilities is to guard the health, safety and welfare of my clients and those with whom I work with in New York. Do this by following the International Codes promulgated by the International Code Council (ICC). When working as an architect myself in the small Latin American country of Ecuador, which only recently has the resources to develop a complete building code of its own, I am left with a set of very limited and woefully inadequate codes.

Ecuador developed its current code 20 years ago by translating portions of 1970s versions of the International Institute of Building Codes “Building Code Requirements for Reinforced Concrete and the Uniform Building Code” (UBC). While a noble effort at the time, it is antiquated by today’s standards. The adopted provisions only address structural design requirements and the code does not provide for any general life-safety design concerns such as fire and egress. In 1996, the president of Ecuador signed a bill to develop a new code, but it takes years before it is fully complete and will still only consider structural requirements. It does not have to do with the United Nations or the U.S. Government?

As part of its International Decade for Natural Disaster Reduction, the United Nation’s Risk Assessment Tools for Diagnosis of Urban Areas Against Seismic Disasters (RADIUS) project conducted a study in Guayaquil. The RADIUS team determined there to be a 53-percent chance that a magnitude 8.0 or greater earthquake will strike within 200 miles of the city in the next 50 years. An estimated 200,000 fatalities would result, along with approximately 90,000 injuries severe enough to require hospitalization. Projections indicate that up to 25 percent of the buildings in the city would be non-operational and 90,000 people left homeless. Power would be out for up to three weeks, telephones inoperable and roads impassable for two months, running water cut off for three months, and sewage systems unusable for a year. All told, damage from the tragedy is expected to exceed one billion U.S. dollars. The city, which is situated in a zone of high seismic activity that stretches from Chile to Alaska, is not even the most vulnerable of Ecuador’s cities.

I watched news of the recent earthquakes in El Salvador and India with apprehension, knowing that it is only a matter of time before Guayaquil joins the ranks of these horrific human disasters. My colleagues in New York and I are shocked at what those poor people must be going through and are proud that our government is doing its part to help. We are a kind people at our core, and the U.S. Agency for International Development (USAID) has given El Salvador $8,965,777 and India $12,595,631 in assistance. I have to wonder, though, if the U.S. government has been able to allocate nearly $21 million over the past few months for international disaster relief, should it not be possible to get funding to mitigate the effects of future disasters like these?

In 1996, James Lee Witt, then director of the U.S. Federal Emergency Management Agency (FEMA), was working to change the way Americans think about disasters. We’ve made prevention the focus of emergency management in the United States, a strong, rigorously enforced building codes are central to that effort.” In 1996, FEMA signed an agreement with ICC to encourage states to adopt its International Building Code (IBC). As the U.S. government has turned to an aggressive program of domestic preven-

tion, it only seems logical to apply this philosophy to our hemisphere.

Guayaquil, and all of Latin America for that matter, needs our help right now. The FEMA-endorsed International Codes arguably provide the best protection from the natural disasters available in the world, and ICC representatives have informed me that they have a team ready to translate them into Spanish. USAID is involved in providing such quick and significant funding for plastic sheets, water jugs, hygiene kits, food assistance, etc., why not consider funding translation of the International Codes for a fraction of that cost?

In February of 1998, The Associated Press reported that USAID had agreed to provide an additional $3 million to El Salvador for emergency housing. Less than a month later, President Bush pledged $100 million more in aid, which El Salvador’s President Francisco Flores has stated will be used to reconstruct basic infrastructure and housing in the country. It is worth recalling that only 15 years ago the U.S. government provided El Salvador $98 million in aid totaling $98 million after a smaller earthquake. This brings the total to more than $300 million in less than 20 years, yet the people of El Salvador are still in a state of devastation and their homes still do not meet any of the generally accepted U.S. building code standards. I have to wonder where exactly the message we are sending to developing countries? Have we created a “disaster lottery” in which needed aid comes only after images of devastation flash across the evening news? If so, South America alone stands to receive hundreds of millions of dollars in disaster relief over the next few years. In contrast, code translation, certification and training would greatly reduce the risk in the region for much less.

What we need to do is think about saving lives now. It is sad to think that it may be easier to get coffins in which to bury the dead than the building codes that would save many of those same people’s lives. It is my hope that the U.S. and United Nations, motivated by compassion, fostering economies, can help provide all of Latin America with the truly vital and life-protecting building codes the region urgently needs.

REFERENCES


By Mrs. HUTCHISON (for herself, Mr. BREAX, Ms. COLLINS, Mr. NICOLAYS, Mr. LANDRIEU, Mr. LOTT, Mr. CONRAD, Mr. MURKOWSKI, Mr. ALLARD, Mr. BROWNBACK, Mr. COCHRAN, Mr. DOMENICI, Mr. GRAMM, Mr. ENZI, Mr. HELMS, Mr. HUTCHINSON, Mr. IN HOPE, Mr. NICKLES, Mr. STEVENS, and Mr. THOMAS):

S. 1199. A bill to amend the Internal Revenue Code of 1986 to allow a tax
credit for marginal domestic oil and natural gas well production and an election to expense geological and geophysical tax credits. I am proud to introduce the Hutchison-Breaux-Collins Marginal Well Preservation Act of 2001. As we look to long-term solutions to the high cost of gasoline, electricity and home heating oil, marginal well tax incentives are critical to increasing supply and retaining our energy independence. Our crisis of volatile fuel prices in the U.S. has led this year to historically high gasoline prices, airline ticket surcharges for rising jet fuel costs, and expected problems with high home heating oil costs this coming winter. This problem is real, it is growing, and it demands a response from Congress to join with the Administration to find a comprehensive, long-term solution.

Senators representing all regions of the country, including the Northeast and Midwest have a common interest: to make the United States less susceptible to the volatility of world oil markets by reducing America's dependence on foreign oil. I understand that when the price of home heating oil spikes in the Northeast, it hurts those Senators' constituents. They understand when the price of oil falls below $10 a barrel, as it did just over two years ago, and we lose 18,000 jobs as we did in Texas, that hurts my constituents. We understand that these are merely two sides of the same coin: growing dependence on foreign oil.

In fact, at the heart of my legislation is the goal of reducing our imports of foreign oil to less than 50 percent by the year 2010. While it is incredible to me that we have let America slide into greater than 55 percent dependence today, from the 46 percent dependence we saw in 1992, nevertheless a goal of producing at least half of our oil needs right here in the United States is a laudable one, and I believe, an achievable one.

The core problem with our growing dependence on foreign oil is an under-utilized domestic reserve base of both crude oil and natural gas. In 1992, we imported 46 percent of our oil needs from overseas. It is equally important to realize that in 1974, when America was brought to her knees by the OPEC oil embargo, we imported only 36 percent of our oil. Today, as I mentioned, we stand at over 55 percent imports. While it is true that OPEC controls less, in percentage terms, of the world oil market that it did in 1974, it is the major oil producing countries of the world were ever to get their collective act together, they could not only wreak havoc with the American economy, they could literally shut it down. As the sole remaining superpower in the world, and as the country with an economy that is the envy of the industrialized world, this threat to our economic as well as our national security is simply and totally unacceptable.

We simply must take steps today to increase the amount of oil and natural gas we produce right here at home. It is estimated that, in total, the United States possesses as much as 160 billion barrels of oil and as many as 1,700 trillion cubic feet of natural gas. This is enough to fuel the U.S. economy for at least 60 years without importing a single drop of foreign oil. While shutting-off foreign oil completely may not be realistic, it is realistic to utilize our reserves much more than we do today. The 32 billion barrels of oil and gas could be produced in areas where it is being produced today and has for decades that is not environmentally sensitive. That is why I have advocated for tax incentives that would make it economically feasible for production to continue and actually increase in areas largely where production takes place today. Much of this production is from so-called "marginal" wells, those wells that produce less than 15 barrels of oil and less than 90 thousand cubic feet of natural gas per day.

Many of these wells are so small that, once they close, they never re-open. There were close to 500,000 such wells across the U.S. Together, they have the capacity to produce 20 percent of America's oil. This is roughly the same amount of oil the U.S. imports from Saudi Arabia. During the oil price plummet over two years ago, more than one-quarter of these wells closed, many of them for good.

The overwhelming majority of producing wells in Texas are marginal wells. A survey by the Independent Producers Association of America, IPAA, found that marginal wells account for 75 percent of all crude production for small independent operators; up to 50 percent for mid-sized independents; and up to 20 percent for large companies.

A more sensible energy independence policy would be to offer tax relief to producers of these smaller wells that would help them stay in business when prices fall below a break-even point. When U.S. producers can stay in business during periods of low prices, supply will be higher and help keep prices from shooting up too high.

My legislation provides a maximum $5 per barrel tax credit for the first 3 barrels of daily production from a marginal well oil, and a similar credit for marginal gas wells. The marginal oil well credit would be phased in-and-out in equal increments as prices for oil and natural gas fall and rise. For oil, it would phase in between $18 and $15 per barrel.

A counter-cyclical system such as this would help keep producers alive during the record low prices, so they can be producing during the record highs. This would gradually ease our dependence on overseas oil.

There's another benefit to encouraging marginal well production: it has a multiplier effect. In 1997, these low-volume wells generated $314 million in taxes paid annually to State governments. These revenues are used for State and local schools, highways and other state-funded projects and services.

Another idea in my plan is to offer incentives to restart inactive wells by offering producers a tax exemption for the costs of doing so. This would ensure greater oil availability and also increase Federal and State tax revenues paid by oil producers and energy sector employees. Everyone wins. More jobs, more State and Federal revenue, and, most importantly, more domestic oil.

Studies and actual results have borne this out. In Texas, a program similar to this has met with considerable success. Over 6,000 wells have been turned to production, injecting approximately $1.65 billion into the Texas economy each year. We should try this nationwide.

We do not have to be at the whim of market forces beyond our control. The only way out, though, is to be part of the price setting process, rather than be price takers. To do that, we've got to increase our domestic supply. We have an excellent opportunity to unite around this bill, Democrats and Republicans, energy production and energy consumption States.

Marginal well tax incentive legislation is a positive, proactive approach that I believe can garner a majority of support in Congress and that will begin to reverse the slide toward greater and greater dependence on foreign oil.

By Mr. HATCH. (for himself, Mrs. BREAUX, Mrs. LINCOLN, Mr. AL-LARD, Mr. THOMPSON, and Mr. GRAHAM):

S. 1201. A bill to amend the Internal Revenue Code of 1986 to provide for S corporation reform, and for other purposes; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to introduce the Subchapter S Modernization Act of 2001. I am very pleased to be joined in this effort by Senators BREAUX, LINCOLN, THOMPSON, AL-LARD, and GRAMM.

The bill we are introducing today is a continuation of a bipartisan effort that began in the Senate nearly a decade ago when former Senators Pryor and Danforth, along with myself and six other senators, introduced the S Corporation Reform Act of 1993. We recognized then, as the sponsors of today's bill do now, that S corporations are a vital and growing part of our economy and that our tax law should reflect the importance of these entities and provide tax rules that allow them to grow.
and compete with a minimum of complexity and a maximum of flexibility.

According to the Joint Committee on Taxation, there were nearly 2.6 million S corporations in the United States in 1998, up from about 500,000 in 1980. In fact, S corporations now outnumber both C corporations and partnerships. These are predominantly small businesses in the retail and service sectors. Over 92 percent of all S corporations in 1998 reported less than $1 million in assets. Many of these businesses, however, are growing rapidly. These are the kinds of businesses that make up "Main Street USA." In my home state of Utah, over half the corporations have elected Subchapter S treatment.

Subchapter S of the Internal Revenue Code was enacted in 1958 to help remove tax considerations from small business expansion and success. The availability of Subchapter S has been helpful to millions of small businesses over the years, particularly to those just starting out. Subchapter S provides entrepreneurs the advantage of corporate protection from liability along with the single level of tax enjoyed by partnerships and limited liability companies.

However, Subchapter S as enacted and modified over the years contains a variety of limitations, restrictions, and pitfalls for the unwary. And, even though some very important improvements have been made over the years, including many first introduced in the 1993 S Corporation Reform Act I mentioned earlier, more needs to be done to bring the tax treatment of these important businesses into the 21st Century. This is what our bill today is all about.

A May 2001 study by the Federal Reserve Bank of Kansas City highlights the importance of small businesses to our economy and points out why Congress should do everything possible to make it easier for these entities to get started and grow. The study points out that more than 75 percent of the net new jobs created from 1990 to 1995 occurred in small firms, defined as those with fewer than 500 employees. Moreover, seven of the ten fastest growing industries have been dominated by small businesses in recent years, including the high technology sector, where small firms employ 38 percent of that industry's workers.

In the rural parts of America, the role of small enterprises is even more important. Small businesses account for 90 percent of all rural establishments. In 1998, small companies employed 60 percent of rural workers and provided half of rural payrolls.

What do these small businesses, especially those in small-town America, most need to grow, to thrive, and even to survive? According to the House Conference on Small Business, two of the most important issue areas for these enterprises is easier access to capital and an easing of the tax burden.

The bill we are introducing today addresses both of these vital issues.

Perhaps the biggest challenge facing all kinds of businesses, especially smaller ones, is attract adequate capital. Unfortunately, Subchapter S is currently a hindrance, rather than a help, for many corporations facing this challenge. For example, current law allows for only one class of stock for S corporations. Further, S corporations are not allowed currently to issue convertible debt. Nor are they allowed to have a non-resident alien as a shareholder. These restrictions all limit the ability of S corporations in attracting capital, which is very often the life-blood of growing a business.

Several of the provisions of the Subchapter S Modernization Act are designed to alleviate these restrictions in order that S businesses can attract capital. This will help make them more competitive with other small enterprises doing business in other forms, such as partnerships or limited liability companies, that do not face such barriers.

Even though electing Subchapter S currently offers much to a small corporation in the way of tax relief, principally because such an election eliminates the corporate level of taxation, S corporations still face some significant tax burdens in the way of potential pitfalls and tax traps for the unwary. Some of these impediments exist in the requirements of elective S corporation status, and others are in the rules governing the day-to-day operations of the entities. In either case, these provisions stifle growth and impede job creation.

Most of the sections of the bill we introduce today are dedicated to eliminating many of these barriers and in the process, eases the door for many small community banks to become more competitive with other small enterprises doing business in other forms, such as partnerships or limited liability companies.

The Small Business Job Protection Act of 1996 made many important changes to Subchapter S. One of the most significant was the ability for small banks to elect to be S corporations for the first time. This opened the door for many small community banks to become more competitive with other financial institutions operating in their neighborhoods. So far, more than 1,400 banks in the U.S. have made the election, which represents about 18 percent of the more than 8,000 community banks in the United States.

According to a survey taken earlier this year by the accounting firm Grant Thornton, 3 percent of the remaining community banks plan to elect Subchapter S status in 2001, and another 14 percent are considering the election after that.

The availability of Subchapter S has been a positive development in increasing profitability and competitiveness of many community banks. However, two problems currently exist. The first is that current law includes several significant hurdles to many small banks in the process of making the election. These include restrictions on the types and number of shareholders allowed. The second problem is that some of the operating rules under Subchapter S are unduly inflexible, complex, and harsh.

The bill we introduce today attempts to address many of these challenges by easing the restrictions on the kinds of shareholders who can own S corporation stock and the number of shareholders allowed, as well as relaxing some of the operational rules. These changes are designed to make it significantly easier for community banks to take advantage of the benefits of Subchapter S.

Small businesses are key to the continued growth of our economy and to future job creation. The way I see it, it is the job of government to remove unnecessary restrictions and barriers to the success of these businesses are removed so that these small enterprises can attract capital and function with the maximum of efficiency.

Some would argue that S corporations are a relic of the past and that newer, more flexible forms of doing business, such as limited liability companies, are the business entities of the future. Such a view is a great distortion of reality. S corporations are a large and growing part of our economy. They have served a vital function in our communities for the past 43 years and will continue to do so. Our tax laws should be overhauled to streamline these rules and make them as flexible and easy to work in as possible.

The S Corporation Modernization Act enjoys the support of a broad range of associations and trade groups, many of which have worked with us in drafting the bill. I want to especially acknowledge the assistance of the American Institute of Certified Public Accountants, the Taxation Section of the American Bar Association, the Independent Bankers Association of America, and the Utah Bankers Association. These organizations contributed time and talent in making recommendations for many of the improvements in this bill.

I urge my colleagues to take a close look at this bill, and to support it. Thousands of small and growing businesses in every State will benefit from the improvements included therein. Its enactment will lead to an increased ability of these enterprises to attract capital, expand, and create new jobs.

I ask unanimous consent that a section-by-section description of the bill and a letter of support from a group of organizations that endorse it be printed in the RECORD.

There being no objection, the additional material was ordered to be printed in the RECORD, as follows:
DEAR SENATORS HATCH, BREAUX, LINCOLN, AND ALLARD: The undersigned organizations, speaking on behalf of many of America’s small businesses, want to commend and thank you for your support of the S Corporation Modernization Act of 2001. This important legislation will improve capital formation opportunities for small businesses, preserve family-oriented enterprises, and eliminate unnecessary and unwarranted traps for taxpayers. We want to express our unqualified and enthusiastic support for the entire bill.

In 1996, S corporations were created to provide an alternative business structure for private entrepreneurs, and today over 2.6 million S corporations operate in virtually every sector and in every state across America. These S corporations employ many Americans and hold over $1.45 trillion in business assets.

Unfortunately today, many of these companies are still burdened by obsolete rules, which stunts expansion, inhibit venture capital attraction, and otherwise impede these businesses from meeting the demands of the challenging global economy. As the domestic economy faces increasing challenges, such restrictions are particularly troubling. For S corporations, which have been successful ventures, the qualifications and restrictions contained in the original Subchapter S rules are very limiting and complex. Over time, Congress has removed some of these restrictions and has made incremental changes to update and improve the Subchapter S rules. Congress last acted in 1996 to pass reforms to make S Corporations rules more compatible with modern-day business demands.

For these reasons, we agree with you that modernization is essential. For example, we support Section 101, which modifies the number of eligible shareholders to 100. We support Section 102, which allows nonresident aliens to be eligible shareholders. We support Section 103, which allows banks to own S corporations.

Senator, we look forward to working with you to enact the S Corporation Modernization Act of 2001. Thank you again for your sponsorship of this important initiative.

Sincerely,

[Signature]

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Title V—Qualified Subchapter S Subsidiary
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TITLE VI—ADDITIONAL PROVISIONS

Section 601. Elimination of all earnings and profits of S corporations that had S corporation status for their first tax year beginning after December 31, 1996. The Small Business Job Protection Act of 1996 eliminated certain pre-1983 earnings and profits of S corporations that had S corporation status for their first tax year beginning after December 31, 1996. The provision should apply to all corporations & S) with pre-1983 S earnings and profits without regard to when they elect S status. There seems to be no policy rationale for the elimination was restricted to corporations with an S election in effect for their first taxable year beginning after December 31, 1996.

Section 602. No gain or loss on deferred intercompany transactions because of conversion to S corporation or qualified S corporation subsidiary. The Act makes clear that any gain or income from an intercompany transaction is not taxed at the time of the S corporation or QSub elections.

Section 603. Treatment of charitable contributions and foreign tax credit carryforwards. The act modifies the charitable contribution carryforwards and other carryforwards arising from a taxable year for which the corporation was a C corporation shall be allowed against the net recognized built-in gain of the corporation for the taxable year. This provision is consistent with the legislative history of the 1986 Act.

Section 604. Distribution by an S corporation to an employee stock ownership plan. An ESOP will usually borrow from the sponsoring corporation to fund its acquisition of employer securities. In the case of a C corporation, the tax code provides that an ESOP will not be treated as engaging in a “prohibited transaction” if it uses any “dividend” on employer securities purchased with loan proceeds to make payments on the loan regardless of whether such employer securities have been pledged as collateral to secure the loan. The policy facilitates the payment of ESOP loans and thereby promotes employee ownership. Because S corporation distributions are technically not “dividends”, the Act provides that S corporation distributions are treated as an ESOP loan. The provision is necessary to ensure that the policy of facilitating the payment of ESOP loans applies equally to S corporation and C corporation ESOPs.

Mr. BREAUX. Mr. President, I am pleased to introduce with my colleagues, Senators HATCH, LINCOLN, and THOMPSON, the Subchapter S Modernization Act of 2001. This bill is very important to the 2.6 million S Corporations in this country and to the thousands of S Corporations in my own State of Louisiana.

The Small Business Administration estimates that small businesses account for seventy-five percent of the employment growth in the United States and provide the majority of new jobs. Small businesses employ 52 percent of all private workers and provide 51 percent of the output in the private sector. They have been, in large part, the engine that fuels our economy.

S Corporations make up a large number of the Nation’s small businesses. In fact, the Joint Committee on Taxation estimates that over ninety-two percent of all S Corporations report less than $1 million in assets. They operate in every economic sector of the United States, employing millions of Americans and hold over $1.45 trillion in business assets. As such, anything we can do to help S Corporations will help the economy.

The Subchapter S Modernization Act does this by encouraging S Corporations to expand, allowing S Corporations to attract more capital, and removing tax traps for the unwary.

The legislation expands the list of eligible shareholders to non-resident aliens and some Individual Retirement Accounts held by banks. The bill also permits families to be treated as one shareholder, which not only expands the size of S corporations, but also helps keep family businesses together.

In additional, the bill increases the number of permitted shareholders to 150 from the current law limit of 75.

All of these important provisions also give S Corporations greater flexibility in attracting new sources of investment and capital. By permitting S Corporation shareholders to receive a preference in the flow of capital to the corporation, the Subchapter S Modernization Act increases access to capital from investors, such as venture capitalists, who insist on a preferential return. This provision also facilitates family ownership by allowing older generations to relinquish control of the corporation to later generations while maintaining an equity interest in the company.

Lastly, the bill removes many complex tax traps and clarifies the law regarding many provisions enacted in 1996. Per the Joint Committee on Taxation’s recommendation in its simplification report, our bill repeals the excessive passive investment income rule as a termination event for S Corporations and increases the threshold for passive investment income from 25 percent to 60 percent. Capital gains are excluded from the definition of passive income. The rules for taxing Electing Small Business Trusts and managing Qualified Subchapter S Subsidiaries are simplified in many ways, thus reducing the possibility that companies will inadvertently terminate their S corporation election.

I urge my colleagues to support this bill.

Mrs. LINCOLN. Mr. President, today my colleagues and I are introducing legislation which is critically important to millions of small and family-owned businesses across this Nation. The Subchapter S Modernization Act of 2001 is the culmination of months of hard work by Senators HATCH, BREAUX and me. We have worked to bring new ideas together with known and necessary S corporation reforms into a comprehensive piece of legislation which will help improve capital formation opportunities for small businesses, will help preserve family-owned businesses, and will eliminate unnecessary and unwarranted traps for well-intentioned taxpayers.

Small businesses are the backbone of commerce in my home State of Arkansas. There are between sixteen and seventeen thousand small businesses formed as S corporations in Arkansas and over 2.58 million nationwide. According to the Joint Committee on Taxation, over ninety-two percent of these companies have assets totaling less than one million dollars and a majority are in the retail trade and service sectors. These are truly your mom and pop stores and businesses, and I am proud to be working on their behalf.

This bill represents not just the hard work of the principal sponsors but also of several of my colleagues past and present. I would like, in the short time that I have, to acknowledge the past efforts of former Senators Pryor and Danforth, who represented small business S corporations so well and who helped develop many of the provisions we have included in the Subchapter S Modernization Act. I would also like to recognize Senator ALLARD, who has joined in sponsoring this legislation, and who has been a lead proponent of S corporation reforms which would allow small financial institutions to benefit from Subchapter S. And, of course, I would like to thank Senators THOMPSON, GRAMM, and THOMAS who have joined Senator HATCH, BREAUX, and me as original sponsors of what I believe is very good legislation for hard working men and women across this Nation.

By Mr. BENNETT.

S. 1205. A bill to adjust the boundaries of the Mount Nebo Wilderness Area, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. BENNETT. Mr. President, I rise today to introduce the Mount Nebo Wilderness Boundary Adjustment Act. This legislation is intended to correct several small boundary issues that have frustrated Juab County and its residents’ attempts to maintain their sources of water.

Mount Nebo, located in Juab County, UT, is an 11,929 foot peak in the Wasatch Mountains. The surrounding area is home to bighorn sheep, spectacular views of the Great Basin, primitive recreation, and the source of water for many who live and farm around the towns of Nephi and Mona, UT. Due to the wilderness characteristics of the lands including and surrounding Mount Nebo, Congress designated the 28,000 acre Mount Nebo Wilderness as part of the Utah Wilderness Act of 1984. While the United States Forest Service was drawing the maps of the newly designated Mount Nebo Wilderness, nine areas were improperly included in the wilderness boundaries that contained springs, pipelines, and other water structures which provide water to the residents of Juab County.
Water in the west is truly the life-blood of the region. Without water, our towns and cities, both large and small, would never grow. One of the most important is the ability to maintain springs, pipelines, and other structures that allow water to be put to beneficial use. The water that flows from the Mount Nebo Wilderness provides irrigation for Juab County farmers, is part of the Nephi City culinary water system, and provides water directly to a number of residents who live in close proximity to the wilderness. It should be noted that the water rights for some of these springs were granted as early as 1855 and have been providing water ever since. These pipelines and water structures are old and need constant maintenance. Wilderness prohibitions do not provide the flexibility needed by the county to maintain its water sources.

This legislation would redraw the boundaries of the wilderness area to allow motorized access for the county and other affected users in order to maintain existing water structures. Because the primary adjustment will result in the removal of lands from the Mount Nebo Wilderness, the county has identified existing USFS land adjacent to the wilderness to serve as replacement acreage which will result in a net gain of 14 acres of wilderness. I believe this is legislation that benefits all parties. The Forest Service will have a wilderness area with fewer access issues and the counties will be able to maintain their critical water sources.

I am offering a simple piece of legislation that will solve a longstanding problem for one of Utah's counties. I would greatly appreciate Senator Bingaman's help in moving this bill through his committee as soon as possible.

By Mr. VOINOVICH (for himself, Mr. INHOFE, Mr. FRIST, and Mr. MCCONNELL):

S. 1290. A bill to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes; to the Committee on Environment and Public Works.

Mr. VOINOVICH. Mr. President, I rise today, joined by my colleagues, Senators BILL FRIST, Senator JAMES INHOFE, and Senator MITCH MCCONNELL, to introduce the Appalachian Regional Development Act Amendments of 2001. Once enacted, our bill will reauthorize the Appalachian Regional Commission, ARC and create a specific initiative to help bridge the "digital divide" between Appalachia and the rest of our nation.

One of the honors that I have as a United States Senator is to serve as a member of the Subcommittee on Transportation and Infrastructure of the Environment and Public Works Committee. One of the reasons I am pleased to be on this subcommittee is the fact that it has oversight jurisdiction over the ARC. As a Senator who represents one of the thirteen States covered by the ARC, my membership on this subcommittee gives me a great opportunity to focus on issues of direct importance to this region of our Nation.

In 1965, Congress established the ARC to help bring the Appalachian region of our Nation into the mainstream of the American economy. This region includes 406 counties in 13 States, including Ohio, and has a population of about 22 million people.

The ARC is composed of the governors of the 13 Appalachian states and a Federal representative who is appointed by the President. The Federal representative serves as the Federal Co-Chairman with the governors electing one of their number to serve as the States' Co-Chairman. As a unique partnership between the Federal Government and these 13 States, the ARC runs programs in a wide range of activities, including highway construction, education, housing, housing loans, health care, parks, recreation, watersheds, pollution control, energy, agriculture, tourism, water and sewer infrastructure, and economic development. The sweeping range of options allows governors and local officials to tailor the federal assistance to their individual needs.

The ARC currently ranks all of the 406 counties in the Appalachian region, including the 29 counties in Ohio that are covered by the ARC, according to four categories: distressed, transitional, competitive, and attainment. These categories determine the extent for potential ARC support for specific projects. They also help ensure that support goes to the areas with the greatest need. Distressed counties are the most "at-risk," with unemployment rate of at least 150 percent of the national average, and a per capita market income of no more than two-thirds of the national average. Generally, this means that a distressed county has an unemployment rate of greater than 7.4 percent, a poverty rate of at least 19.7 percent, a welfare dependency rate of at least 82.1 percent, and per capita income of less than $14,164. In fiscal year 2001, 114 counties, or roughly one-fourth of the counties in the ARC, have been classified as distressed. Ten of these counties are in Ohio.

In order to undertake a wide variety of projects to help improve the region's economy, the ARC uses the Federal dollars it receives to leverage additional State and local funding. This successful partnership enables communities in Ohio and throughout Appalachia to have programs which help them to respond to a variety of grass-roots needs. In Ohio, ARC funds support projects in five goal areas: skills and knowledge, physical infrastructure, environment, community capacity, and economic development. Ranging from 22 million dollars it received in fiscal year 2000 leveraged approximately $2.60 in additional federal, state and local funds. In fiscal year 2000, ARC provided approximately $4.7 million to fund non-highway projects in Ohio.

As my colleagues are aware, the current authorization of the ARC will soon expire. In anticipation of the need for reauthorization legislation, I have been working since last year on putting together a bill that focuses on the issues that the ARC needs to address in the early part of the 21st century. One of the more productive activities I did in preparation for reauthorization was to conduct a Transportation and Infrastructure Subcommittee field hearing on the ARC at the Opera House in Nelsonville, OH, in August 2000. Following the hearing, I had the opportunity to tour the region to witness first-hand the beneficial impact of ARC-funded projects in the community.

My objectives for both the field hearing and the tour were to obtain an overview of the importance of ARC programs to Appalachia, to closely examine the progress that has been made with respect to the implementation of these programs, and to identify the challenges that still must be overcome for the region to fully participate in our Nation's economy. Along with the poignant visual impact of my tour, the testimony I received from the impressive array of witnesses at this hearing provided valuable input that has been very helpful in drafting this legislation.

Our legislation, the Appalachian Regional Development Act Amendments of 2001, would allow the ARC to continue its important work for the people of Appalachia. One of the most innovative aspects of our bill would establish a Telecommunications and Technology Initiative that would focus on providing training in new technologies; assisting local governments, businesses,
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schools, and hospitals in developing e-commerce networks; and creating more jobs and business opportunities through access to telecommunications infrastructure.

E-commerce is one of the largest factors driving our economy and any business that wants to successfully compete in today’s technological revolution must have access to the Internet. By establishing a specific initiative under the ARC to help the people of Appalachia connect with today’s technology, we are also helping Appalachian communities achieve the same quality of life that is available to the rest of the Nation.

The bill also would increase the percentage of ARC funds required to be spent on activities or projects that benefit distressed counties or area. Right now, the ARC in Appalachia set at 30 percent, and under our bill, it would increase to 50 percent. An analysis of fiscal years 1999 and 2000 shows that the ARC already spends about half of its project funding on grants to Appalachian’s poorest counties, therefore this provision simply codifies current practice.

In addition, the bill would establish the ARC as the lead Federal agency in coordinating the economic development programs carried out by Federal agencies in the region through the establishment of an Interagency Coordinating Council on Appalachia. The Council would be established by the President and its membership composed of representatives of the Federal agencies that carry out economic development programs in the region.

The bill also would change the nonfederal match requirement for administrative grants to the region’s Local Development Districts from 50 percent to 25 percent for those Local Development Districts which include all or part of at least one distressed county. Local Development Districts are multi-county economic development planning agencies that work with local governments, non-profit organizations, and the private sector to determine local economic development needs and provide professional guidance for local economic development strategies. There are 71 Local Development Districts working with the ARC in Appalachia.

Additionally, the bill would authorize annual appropriations for the ARC for five years, beginning with $83 million in fiscal year 2002 and increasing by $3 million in each of fiscal years 2003 through 2006. Of the authorized amount, $10 million would be earmarked each fiscal year for the Telecommunications and Technology Initiative.

For more than 35 years, the ARC has had a dramatic impact on the lives of the men and women who live in the Appalachian region of our Nation, helping cut the region’s poverty rate in half, lowering the infant mortality rate by two-thirds, doubling the percentage of high school graduates to where it is now slightly above the national average, lowering the region’s out-migration, reducing unemployment rates, and narrowing the per capita income gap between Appalachia and the rest of the United States.

Despite its successes to date, the ARC has not completed its mission in Appalachia. I know that there is a vast reserve of potential in Appalachia that is just waiting to be tapped, and I wholeheartedly agree with one of ARC’s guiding principles that the most valuable investment that can be made in a region is in its people.

The ARC is the type of Federal initiative that we should be encouraging. I urge my colleagues to join me in supporting this legislation, and I urge its speedy consideration by the Senate.

There being no objection, the bill was ordered to be printed in the Record.

S. 1206

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 “Appalachian Regional Development Act Amendments of 2001.”

SEC. 2. PURPOSES. The purposes of this Act are—

(1) to reauthorize the Appalachian Regional Development Act of 1965 (40 U.S.C. App.); and

(2) to ensure that the people and businesses of the Appalachian region have the knowledge, skills, and access to telecommunications and technology services necessary to compete in the knowledge-based economy of the United States.

SEC. 3. FUNCTIONS OF THE COMMISSION. Section 102(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (5), by inserting “; and support,” after “formation of”; and

(2) in paragraph (7), by striking “and” at the end.

(3) in paragraph (8), by striking the period at the end and inserting “; and”; and

(4) by adding at the end the following:

“(d) seek to coordinate the economic development activities of, and the use of economic development resources by, Federal agencies in the region.”

SEC. 4. INTERAGENCY COORDINATING COUNCIL ON APPALACHIA. Section 104 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking “The President” and inserting “(a) in GENERAL.—The President” and

(2) by adding at the end the following:

“(b) INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.—

“(1) ESTABLISHMENT.—In carrying out subsection (a), the President shall establish an interagency council to be known as the Interagency Coordinating Council on Appalachia.’’

“(2) MEMBERSHIP.—The Council shall be composed of—

“(A) the Federal Cochairman, who shall serve as Chairperson of the Council; and

(B) representatives of Federal agencies that carry out economic development programs in the region.”

SEC. 5. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE. Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 202 the following—

“SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

“(a) IN GENERAL.—The Commission may make technical assistance available to persons that enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

“(1) for projects that increase affordable access to advanced telecommunications, entrepreneurship, and management technologies or applications in the region;

“(2) to provide education and training in the use of telecommunications and technology;

“(3) to develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce; or

“(4) to support entrepreneurial opportunities for businesses in the information technology sector.

“(b) SOURCE OF FUNDING.—

“(1) IN GENERAL.—Under this section may be provided—

“(A) exclusively from amounts made available to carry out this section; or

“(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

“(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

“(c) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) is required for grants made under this section.

“(d) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—The “Commission” of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking “in an area determined by the State have a significant potential for growth or” and

“(A) ELIMINATION OF GROWTH CENTER CRITERIA.—Section 224(a)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking “in an area determined by the State have a significant potential for growth or”.

“(B) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—Section 224 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

“(d) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—For each fiscal year, not less than 10 percent of the amount of grant expenditures approved by the Commission shall support activities or projects that benefit severely and persistently distressed counties and areas.’’

SEC. 7. GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS. Section 302(a)(1)(A)(i) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after “or, at the discretion of the Commission, 75 percent of such expenditures in the case of a local development district that has a charter or authority that includes the economic development of a county or part of a county that has a distressed county designation is in effect under section 226” after “such expenses.”
SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended to read as follows:

"SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—In addition to amounts authorized by section 201 and other amounts made available for the Appalachian development highway system program, there are authorized to be appropriated to the Commission to carry out—

"(1) $83,000,000 for fiscal year 2002; 
"(2) $86,000,000 for fiscal year 2003; 
"(3) $89,000,000 for fiscal year 2004; 
"(4) $92,000,000 for fiscal year 2005; and 
"(5) $95,000,000 for fiscal year 2006."

(b) Telecommunications and Technology Initiative.—Of the amounts made available under subsection (a), $10,000,000 for each fiscal year shall be made available to carry out section 203.

"(c) Availability.—Sums made available under subsection (a) shall remain available until expended."

SEC. 9. TERMINATION.

Section 405 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking "2001" and inserting "2006".

SEC. 10. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 101(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the third sentence by striking "implementing investment programs" and inserting "strategy statement".

(b) Section 106(7) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking "expiring no later than September 30, 2001".

(c) Sections 202, 214, and 303(a)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) are amended by striking "grant-in-aid programs" each place it appears and inserting "grant programs".

(d) Section 202(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) are amended by striking "grant-in-aid programs" each place it appears and inserting "grant programs".

(e) Section 207(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking "section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949," and inserting "section 221 of the National Housing Act (12 U.S.C. 1701g), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), section 515 of the Housing Act of 1949 (42 U.S.C. 1485),".

(f) Section 214 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

"(1) in the section heading, by striking "GRANT-IN-AID" and inserting "GRANT"; 
"(2) in subsection (a), by striking "grant-in-aid Act" each place it appears and inserting "Act"; 
"(A) by striking "grant-in-aid Act" each place it appears and inserting "Act"; 
"(B) in the first sentence, by striking "grant-in-aid Act" and inserting "Act"; 
"(C) by striking "grant-in-aid program" each place it appears and inserting "grant program"; and 
"(D) by striking the third sentence; 
(3) by striking subsection (c) and inserting the following:

(G) Definition of Federal Grant Program.—

"(1) In General.—In this section, the term "Federal grant program" means any Federal grant program authorized by this Act or any other Act that authorizes Federal assistance for:

"(A) the acquisition or development of land; 
"(B) the construction or equipment of facilities; or 
"(C) any other community or economic development or economic adjustment activity.

"(2) Exclusions.—In this section, the term "Federal grant program" includes a Federal grant program such as a Federal grant program authorized by—

"(A) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.); 
"(C) the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.); 
"(E) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); 
"(F) title VI of the Public Health Service Act (42 U.S.C. 291b et seq.); 
"(G) sections 201 and 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141, 3149); 
"(H) title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); and 
"(I) part IV of title II of the Communica-

tions Act of 1934 (47 U.S.C. 301 et seq.)."

"(b) availabilty.—Sums made available under subsection (a) shall remain available until expended."; and

"(d) Section 202(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended to read as follows:

"(1) $83,000,000 for fiscal year 2002; 
"(2) $86,000,000 for fiscal year 2003; 
"(3) $89,000,000 for fiscal year 2004; 
"(4) $92,000,000 for fiscal year 2005; and 
"(5) $95,000,000 for fiscal year 2006.

"(b) Telecommunications and Technology Initiative.—Of the amounts made available under subsection (a), $10,000,000 for each fiscal year shall be made available to carry out section 203.

"(c) Availability.—Sums made available under subsection (a) shall remain available until expended.".

By Mr. DOMENICI:

S. 1207. A bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Albuquerque, New Mexico, metropolitan area; to the Committee on Veterans' Affairs.

Mr. DOMENICI. Mr. President, it is with great pleasure and honor that I rise today to introduce a bill to create a National Veterans Cemetery in Albuquerque, NM.

The men and women who have served in the United States Armed Forces have made immeasurable sacrifices to this great Nation. Veterans have secured liberty for citizens of the United States since time and immemorial. Their sacrifices and those of their families must not be forgotten.

These veterans deserve to be buried in a National Cemetery with their fellow comrades. However, the Santa Fe National Cemetery, which serves the Northern two thirds of New Mexico, is rapidly approaching maximum capacity.

Some years ago, the Senate passed my legislation to extend the useful life of the Santa Fe National Cemetery by authorizing the use of flat grave markers. However, that legislation was a temporary measure, rather than a solution since the Cemetery will lack sufficient plot space by 2008. The solution that I am seeking is to designate a new National Cemetery in Albuquerque, NM.

I believe all New Mexicans are proud of the Santa Fe National Cemetery. Since its humble beginnings, it has grown from 39,100 of an acre to its current 77 acres.

The cemetery first opened in 1868 and was designated a National Cemetery in April of 1875. Service men and women from all of our Nation's wars hold an honored spot within its hallowed grounds.

With that proud history in mind, we must find another suitable site to serve as the last resting place for New Mexico's veterans.

I would like to thank Congresswoman HEATHER WILSON for bringing this important issue to my attention, and for introducing companion legislation earlier this year.

The need to begin planning soon cannot be overstated. Half of New Mexico's 180,000 veterans live in the Albuquerque/Santa Fe area. Intermort rates continue to rise with the passing of our older veterans and will peak in 2008.

Therefore, I am introducing legislation today to create a National Veterans Cemetery in Albuquerque, NM.

The bill simply directs the Secretary of Veterans Affairs to establish a National Cemetery in the Albuquerque metropolitan area and to submit a report to Congress setting forth a schedule for establishing the Cemetery.

In conclusion I would 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. 1207

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

SECTION 1. ESTABLISHMENT OF NATIONAL CEM-

(a) IN GENERAL.—The Secretary of Vet-

ers Affairs shall establish, in accordance with chapter 24 of title 38, United States Code, a national cemetery in the Albu-

querque, New Mexico, metropolitan area to serve the needs of veterans and their fami-

(b) REPORT.—As soon as practicable after the date of the enactment of this Act, the Secretary shall submit to Congress a report that sets forth a schedule for the establish-

ment of the national cemetery under sub-

section (a) and an estimate of the costs asso-

ciated with the establishment of the national cemetery.

By Mr. GRAHAM (for himself, Mr. GRASSLEY, Mr. LIEBERMAN, Mr. DURBIN, Ms. LANDRIEU, Mrs. CLINTON, and Mr. SCHUMER):

S. 1208. To combat the trafficking, distribution, and abuse of Ecstasy (and other club drugs) in the United States; to the Committee on the Judiciary.

Mr. GRAHAM. Mr. President, I rise today, along with my colleagues, Senators GRASSLEY, LIEBERMAN, DURBIN, LANDRIEU, and CLINTON, to introduce the Ecstasy Prevention Act of 2001; legis-

lation to combat the recent rise in trafficking, distribution and violence associated with MDMA, a club drug commonly known as Ecstasy.

Ecstasy has become the “feel good” drug of choice among many of our young people, and drug pushers are marketing it as a “friendly” drug to mostly teen-

agers and young adults.

Last year I sponsored and Congress passed legislation which drew attention to the dangers of Ecstasy and strengthened the penalties attached to trafficking in Ecstasy and other “club drugs.” Since then, Ecstasy use and trafficking continue to grow at epi-

demic proportions, and there are many accounts of deaths and permanent damage to the health of those who use Ecstasy.

The U.S. Customs Service continues to report large increases in Ecstasy seizures, over 9 million pills were seized by Customs last year, a dramatic rise from the 400,000 seized in 1997. According to the United States Customs Service, in Fiscal Year 2001, two individual seizures affected by Customs Service agents in Miami, Florida, accounted for approximately 222,000 ecstasy tablets.

These two seizures alone exceeded the entire amount of ecstasy seized by the Customs Service in all of Fiscal Year 1997. The Deputy Director of Office of National Drug Control Policy, ONDCP, Dr. Donald Vereen, Jr., M.D., M.P.H., recently said that “Ecstasy is one of the most problematic drugs that has emerged in recent years.” The National Drug Intelligence Center, in its most recent publication “Threat Assessment 2001,” has noted that “no drug in the Other Drug Control Policy currently rep-

resents a more immediate threat than MDMA” or Ecstasy.

The Office of National Drug Control Policy’s Year 2000 Annual Report on the National Drug Control Strategy clearly states that the use of Ecstasy is on the rise in the United States, par-

ticularly among teenagers and young professionals. My State of Florida has been particularly hard hit by this plague, but so have the States of many of my colleagues here. Ecstasy is cus-

tomarily sold and consumed at “raves,” which are semi-clandestine, all-night parties and concerts. Num-

erous data also reflect the increasing availability of ecstasy in metropolitan centers and suburban communities. In the most recent release of Pulse Check: Trends in Drug Abuse Mid-year 2000, which featured MDMA and club drugs, it was reported that the sale and use of club drugs have expanded from raves and nightclubs to high schools, streets, neighborhoods and other open venues.

Not only has the use of Ecstasy ex-

ploded, more than doubling among 12th graders in the last two years, but it has also spread well beyond its origin as a party drug for affluent white suburban teenagers to virtually every ethnic and class group, and from big cities like New York and Los Angeles to rural Vermont and South Dakota.

And now, this year, law enforcement officials say they are seeing another worrisome development, increasingly violent turf wars among Ecstasy deal-

ers, and some of those dealers are our young people. Homicides linked to Ecstasy dealing have occurred in recent months in Chicago; and in Valley Stream, NY. Po-

lice suspect Ecstasy in other murders in the suburbs, of Washington, DC, and Los Angeles, and violence is being linked to Israeli drug dealers in Los Angeles and to organized crime in New York City. Ecstasy is also becoming widely available on the Internet. Last year, a man arrested in Orlando, FL, had been selling Ecstasy to customers in New York.

The lucrative nature of Ecstasy en-

courages its importation. Production costs are as low as two to twenty-five cents per dose while retail prices in the U.S. range from twenty dollars to $45 per dose. Manufactured mostly in Eu-

rope, in nations such as the Nether-

lands, Belgium, and Spain where pill presses are not controlled as they are in the U.S., ecstasy has erased all of the old routes law enforcement has mapped out for the smuggling of tradi-

tional drugs. And now the trade is being promoted by organized criminal elements, both from abroad and here.

Although Israeli and Russian groups dominate MDMA smuggling, the in-

volvement of domestic groups appears to be increasing. Criminal groups based in Chicago, Phoenix, Texas, and Flor-

ida have reportedly secured their own sources.

Young Americans are being lulled into a belief that ecstasy, and other de-

signer drugs are “safe” ways to get high, escape reality, and enhance inti-

mate personal relationships. The drug traffickers make their living off of perpetuating and exploiting this myth.

I want to be perfectly clear in stating that ecstasy is an extremely dangerous drug. In my State alone, between July and December of last year, there were 25 deaths in which MDMA or a variant were listed as a cause of death, and there were another 25 deaths where MDMA was present in the toxicology, although not actually listed as the cause of death. This drug is a definite killer.

The “Ecstasy Prevention Act of 2001” renews and enhances our commitment toward fighting the proliferation and trafficking of Ecstasy and other club drugs. It builds on last year’s Ecstasy Anti-Proliferation Act of 2000 and pro-

vides legislation to assist the Federal and local organizations that are fight-

ing to stop this potentially life-threat-

ening drug. This legislation will allot funding for programs that will educate law enforcement officials and young people and will assist community-

based anti-drug efforts. To that end, this bill amends Section 506B(c) of title V of the Public Health Service Act, by adding that priority of funding should be given to communities that have taken measures to combat club drug trafficking and use, to include passing ordinances and increasing law enforce-

ment on Ecstasy.

The bill also provides money for the National Institute on Drug Abuse to conduct research and evaluate the ef-

fects that MDMA or Ecstasy has on an individual’s health. And, because there is a fear that the lack of current drug tests ability to screen for Ecstasy may encourage Ecstasy use over other drugs, the bill directs ONDCP to com-

mission a test for Ecstasy that meets the standards of and can be used in the Federal Workplace.

Through this campaign, our hope is that Ecstasy will soon go the way of crack, which saw a dramatic reduction in the quantities present on our streets after information of its unpredictable impurities and side effects were made known to a wide audience. By using this educational effort we hope to avoid future deaths and ruined lives.

The Ecstasy Prevention Act of 2000 can only help in our fight against drug abuse in the United States. Customs is working hard to stem the flow of Ec-

stasy into our country. As legislators we have a responsibility to stop the proliferation of this potentially life threatening drug. The Ecstasy Preven-

tion Act of 2001 will assist the Federal
and local agencies charged to fight drug abuse by raising the public profile on the substance-abuse challenge posed by the increasing availability and use of Ecstasy and by focusing on the serious danger it presents to our youth. We urge our colleagues in the Senate to join us in this important effort by co-sponsoring this bill.

By Mr. BINGAMAN (for himself, Mr. BAUCUS, Mr. DASCHLE, Mr. CONRAD, Mr. ROCKEFELLER, Mr. BREAUX, Mr. KERRY, Mr. TORRICELLI, Mrs. LINCOLN, Mr. JEFFORDS, Mr. BAYH, Mr. DAYTON, and Mr. LIEBERMAN):

S. 1209. A bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, I arise today to introduce the Trade Adjustment Assistance for Workers, Farmers, and Fishermen Act of 2001, and would like to add Senators BAUCUS, DASCHLE, CONRAD, ROCKEFELLER, KERRY, TORRICELLI, JEFFORDS, LINCOLN, BREAUX, BAYH, DAYTON, and LIEBERMAN as original co-sponsors.

This legislation represents the culmination of almost two years of effort, including discussions with individuals who process or receive trade adjustment assistance, conversations with labor and trade policy experts, consultations with the Department of Labor, requests for studies from the General Accounting Office, and dialogue between my colleagues in the Senate. The legislation is extremely important, as it directly addresses the questions of how Congress will assist workers and communities negatively impacted by international trade. It is also long overdue, as Congress—the Senate in particular—has discussed reform of the trade adjustment assistance programs for a number of years.

The last revision of the trade adjustment assistance programs occurred when NAFTA was passed, and we only added to the programs at that time, we did not make them compatible in any tangible way. I believe it is time to act, and I think we have a unique opportunity to act in that there is interest both in Congress and the Administration to improve the trade adjustment assistance programs in a fundamental and a beneficial way.

Let me give some background on trade adjustment assistance, and why I feel it is so important to address at this time.

In 1962, when the Trade Expansion Act was being considered in Congress, the Administration had established a basic rule concerning international trade as it applies to American workers. When someone loses their job as a result of trade agreements entered into by the U.S. government, we have an obligation to assist these Americans in finding new employment. This forward-looking proposition really. If you lose your job because of U.S. trade policy, the Federal Government should help you in your effort to get a job in a competitive industry at a wage equivalent to what you are making now. While I believe the United States should be committed to expanding the international trading system, I also believe we should help our workers get back on their feet when they are harmed by trade agreements.

I find this proposition to be reasonable, appropriate, and fair. It suggests that the U.S. government supports an open, multilateral trading system, but recognizes that it is responsible for the negative impacts on its citizens. It suggests that the U.S. government believes that an open trading system provides long-term advantages for the United States and its people, but the short-term costs must be addressed if the policy is to continue, and the United States is to remain competitive. It suggests that there is a collective interest that must be pursued by the United States in the international trading system, but that our individual and community interests must be simultaneously protected for the greater good of our country.

This commitment to American workers has continued over the years—through both Democratic and Republican administrations and Congresses—and I am convinced the Trade Adjustment Assistance program should be both solidified and expanded at this time. I say this for two reasons.

First, as I have stated above, because the international environment in which American workers and communities deserve some tangible help from the competitive pressures of the international trading system. We cannot stand by and pretend that there is not a need to assist workers and communities adjust to the dramatic changes that are now occurring as a result of globalization. Trade adjustment assistance will help do this.

Second, as a practical matter, passage of stronger trade adjustment assistance legislation will allow us to intensively pursue international trade negotiations and focus on important issues like liberalization, transparency, access, inequality, and poverty in the international economy. If we support programs like Trade Adjustment Assistance—programs that empower American workers, that raise living standards, and that advance the prospects of everyone in our country—then we open the possibility for more comprehensive and beneficial international trade agreements. Everyone must understand that globalization is inevitable, and over time will only move at an even more rapid pace. The question for us in this chamber is not whether we can stop it—we cannot—but how we can manage it to benefit the national interest of the United States. Trade adjustment assistance programs for workers and communities will help do this.

There is no denying that globalization is a double-edged sword. While there are obvious benefits that come from a more open and interdependent trading system, we cannot ignore the problems that come as a result. In my State of New Mexico we have seen a number of plant closings and lay-offs, including some in my own home town of Silver City. These people cannot simply go across the street and look for new work. They are people who have been dedicated to their companies and have played by the rules over the years. When I talk to these people, they ask me: Where am I supposed to work now? Where do I find a job with a salary that allows me to support a family, own a house, put food on the table, and live a decent life? Where are the benefits of free trade for me now that my company has gone overseas?

These are hard questions, especially given their current situation. But my answer is that they deserve an opportunity to get income support and retraining to rebuild their lives. They deserve a program that creates skills that are needed, that moves them into new jobs faster, that provides opportunities for the future, that keeps families and communities intact. They deserve the recognition that they are important, and that through training they can continue to contribute to the economic welfare of the United States.

Trade adjustment assistance also offers the potential for this outcome. Over the years it has consistently helped workers across the United States deal with the transition that is an inevitable part of a changing international economic system. It allows that can work and want to work to train for productive jobs that contribute to the economic strength of their communities and our country. Although TAA has not been without its flaws, it remains the only program we have that allows workers and companies to adjust and remain competitive. Without it, in my opinion, we are saying unequivocally that we don’t care what happens to you, that we bear no responsibility for the position that you are in, that you are on your own. We can’t do that. We have made a promise to workers in every administration, both Democrat and Republican, and we should continue to do so.

As we wrote this legislation, we kept a number of fundamental objectives in mind:

First, we wanted to combine existing trade adjustment assistance programs and harmonize their various requirements so they would provide more effective and efficient results for individuals and communities. In doing so, we...
wanted to provide allowances, training, job search, relocation, and support service assistance to secondary workers and workers affected by shifts in production. We also ensured that the State-based delivery system created through the Workforce Investment Act remained intact but tightened the program so response times to lay-offs and trade adjustment assistance applications would quicker.

Second, we wanted to recognize the direct correlation between job dislocation, job training, and economic development, especially in communities that have been hit hard by unemployment. In the past, trade adjustment assistance focused specifically on individual re-training, but it did not address the possibility that unemployment might be so high in a community that job losses affect an individual after they had completed a training program. To rectify this problem, we have created a community trade adjustment assistance program, designed to provide strategic planning assistance to the economic development community. This program is intended to fund those communities that need it the most. In doing so, we have emphasized the responsibility of regional and local agencies and organizations to create a community-based recovery plan and activate a response designed to alleviate economic problems in their region, and to establish stakeholder partnerships in the community that enhance competitiveness through workforce development, specific business needs, education reform, and economic development.

Third, we wanted to encourage greater cooperation between Federal, regional, and local agencies that deal with individuals receiving trade adjustment assistance and those individuals that are receiving trade adjustment assistance. Outlining the duties of one-stop shops in their region, but typically this is limited to information related to allowances and training. Not available is the other information concerning funds available through other Federal departments and agencies, such as health care for individuals and their families. To prevent the creation of duplicative programs and to use the funds that are currently available, we have created an inter-agency working group on trade adjustment assistance to be created and that a database on Federal, State, and local resources available to TAA recipients be established.

Fourth, we wanted to establish accountability in the trade adjustment assistance program. In the past, data concerning trade adjustment assistance has been collected, but not in a uniform fashion across all States and regions. In the past, the Department of Labor and the General Accounting Office have done their best to obtain data that allow us to evaluate programs and measure outcomes, and we have used this data in writing this bill. In the future, however, we need to ensure that Congress has the information needed that will allow us to make targeted reforms.

Finally, we wanted to help family farmers. At present, trade adjustment assistance is available for employees of agricultural firms, being that firms have individuals that can become unemployed. Family farmers, however, are not in this position. For them, there is no way to become unemployed, and therefore, no way for them to become eligible for trade adjustment assistance.

This legislation improves upon the current system in a number of ways. As I mentioned above, for the first time Congress will establish a two-tier system for trade adjustment assistance, recognizing that trade can adversely affect both individuals and communities.

For individuals, the legislation: harmonizes TAA and NAFTA TAA across the board as eligibility requirements, certification time periods, and training enrollment discrepancies, making it one coherent, comprehensive program; extends TAA benefits to all secondary workers and all workers affected by shifts in production; increases TAA benefits so allowances and training are both available for a 78 week period; provides relocation and job search allowances to TAA recipients; provides support services for individuals, including child-care and dependent-care; increases the time frame available for breaks in training to 30 days; allows individuals who return to work to receive training funds for up to 26 weeks; entitles individual certified under trade adjustment assistance program to training, and caps total training program funding at $300m per year; establishes sliding scale wage insurance program at the Department of Labor; requires detailed data on program performance by States and Department of Labor, plus regular Department of Labor report on efficacy of program to Congress; establishes inter-agency group to coordinate Federal assistance to individuals and communities; provides funding for community economic adjustment efforts; responds to the criticism contained in several reports and creates a series of performance benchmarks and reporting requirements, all of which will allow us to gauge the effectiveness and efficiency of the program.

For companies, the legislation: re-authorizes TAA for firms program.

For Farmers, Ranchers, and Fishermen, the legislation: establishes special provisions that allow TAA to cover family farmers, ranchers, and fishermen.

Let me conclude by saying that I consider the Trade Adjustment Assistance program to be a commitment between our government and the American people. It is the only program designed to help American workers cope with the changes that occur as a result of international trade. Current legislation expires on September 30th of this year, and it is time to do something more than a simple reauthorization. I ask my colleagues to support this bill.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 137—TO AUTHORIZE REPRESENTATION BY THE SENATE LEGAL COUNSEL IN JOHN HOFFMAN, ET AL. V. JAMES JEFFORDS

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. Res. 137

Whereas, Senate James Jeffords has been named as a defendant in the case of John Hoffman, et al. v. James Jeffords, Case No. 01CV1190, now pending in the United States District Court for the District of Columbia; Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288(a) and 288c(a)(1), the Senate may direct its counsel to represent Members of the Senate in civil actions with respect to their official responsibilities; Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent Senator James Jeffords in the case of John Hoffman, et al. v. James Jeffords.
CONGRESSIONAL RECORD—SENATE

July 19, 2001

13976

AMENDMENTS SUBMITTED AND PROPOSED

SA 1019. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SA 1020. Ms. SNOWE (for herself and Ms. COLLINS) submitted an amendment intended to be proposed by her to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1021. Mr. STEVENS (for himself and Mr. MURkowski) submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1022. Mr. MURkowski submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1023. Mr. SPECTER proposed an amendment to the bill S. 1172, supra.

TEXT OF AMENDMENTS

SA 1019. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SA 1020. Ms. SNOWE (for herself and Ms. COLLINS) submitted an amendment intended to be proposed by her to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1021. Mr. STEVENS (for himself and Mr. DOMENICI) proposed an amendment to the bill H.R. 2311, supra.

SA 1025. Mrs. MURRAY (for herself and Mr. SINGLAR) submitted an amendment to the bill H.R. 2311, supra.

SA 1026. Mr. DURBIN (for himself and Mr. BENNETT) proposed an amendment to the bill S. 1172, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, and for other purposes.

SA 1027. Mr. SPECTER proposed an amendment to the bill S. 1172, supra.

SA 1022. Mr. MURkowski submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SEC. . SOUTHEAST INTERIE LICENSE TRANSFER

(a) In General.—On notification by the State of Alaska to the Federal Energy Regulatory Commission that the sale of hydroelectric projects owned by the Alaska Energy Authority has been completed, the transfer of the licenses for Project Nos. 2742, 2743, 2911 and 3015 to the Four Dam Pool Power Agency shall occur by operation of this section.

(b) RATIONING OF ORDER.—The Order Granting Limited Waiver of Regulations issued by the Federal Energy Regulatory Commission, Docket Nos. EL01-26-000 and Docket No. EL01-32-000, 94 FERC 61,293 (2001), is ratified.

(c) REQUIREMENT TO PURCHASE ELECTRIC POWER.—The members of the Four Dam Pool Power Agency in Alaska shall not be required, under section 210 of the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. 2624-3) or any other provision of federal law, to purchase electric power (capacity or energy) from any entity except the Four Dam Pool Power Agency.

SA 1022. Mr. MURkowski submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

TITLE . IRAQ PETROLEUM IMPORT RESTRICTION ACT OF 2001

SECTION . SHORT TITLE AND FINDINGS.

(a) This Title can be cited as the “Iraq Petroleum Import Restriction Act of 2001.”

(b) FINDINGS.—Congress finds that:

(1) the government of the Republic of Iraq:

(A) has failed to comply with the terms of United Nations Security Council Resolution 687 regarding unconditional Iraqi acceptance of the destruction, removal, or rendering harmless, under international supervision, of all nuclear, chemical and biological weapons and all stock of agents and all related sub-systems and components and all research, development, support and manufacturing facilities, as well as all ballistic missiles with a range greater than 150 kilometers and relevant major parts, any repair and production facilities, and has failed to allow United Nations inspectors access to sites used for the production or storage of weapons of mass destruction;

(B) routinely contravenes the terms and conditions of UNSC Resolution 661, authorizing the export of petroleum products from Iraq in exchange for food, medicine and other humanitarian products by conducting a routine and extensive program to sell such products outside of the channels established by Resolution 661, for military equipment and materials to be used in pursuit of its program to develop weapons of mass destruction in order to threaten the United States and its allies in the Persian Gulf and surrounding regions;

(C) has failed to adequately draw down upon the amounts received in the Escrow Account established by UNSC Resolution 986 to purchase food, medicine and other humanitarian products required by its citizens, resulting in massive humanitarian suffering by through import-opportunism;

(D) conducts a periodic and systematic campaign to harass and obstruct the enforcement of the United States and United Kingdom-enforced “No-Fly Zones” in effect in the Republic of Iraq; and

(E) routinely manipulates the petroleum export production volumes permitted under UNSC Resolution 661 in order to create uncertainty in global energy markets, and therefore threatens the economic security of the United States.

2) Further imports of petroleum products from the Republic of Iraq are inconsistent with the national security and foreign policy interests of the United States and should be eliminated until such time as they are not so inconsistent.

SEC. . PROHIBITION ON IRAQI-ORIGIN PETROLEUM IMPORTS

The direct or indirect import from Iraq of Iraqi-origin petroleum and petroleum products is prohibited, notwithstanding an authorization by the Committee established by UNSC Resolution 661, its designee, or any other order to the contrary.

SEC. . TERMINATION/PRESIDENTIAL CERTIFICATION

This Act will remain in effect until such time as the President, after consultation with the relevant committees in Congress, certifies to the Congress that:

(a) The United States is not engaged in active military operations in:

(1) enforcing “No-Fly Zones” in Iraq;

(2) support of United Nations sanctions against Iraq;

(3) preventing the smuggling of Iraqi-origin petroleum and petroleum products in violation of UNSC Resolution 661; and

(4) otherwise preventing threatening action by Iraq against the United States or its allies; and

(b) The remaining the importation of Iraqi-origin petroleum and petroleum products would not be inconsistent with the national security and foreign policy interests of the United States.

SEC. . HUMANITARIAN INTERESTS.

It is the sense of the Senate that the President should make all appropriate efforts to ensure that the humanitarian needs of the Iraqi people are not negatively affected by this Act, and should encourage public, private, domestic and international means for the kindred goal appropriate transfer to appropriate non-governmental health and humanitarian organizations and individuals within Iraq of food, medicine and other humanitarian products.

SEC. . DEFINITIONS.

(a) “661 COMMITTEE.”—The term “661 Committee” means the Security Council Committee established by UNSC Resolution 661, and persons acting for or on behalf of the Committee under its specific delegation of authority for the relevant matter or category of activity, including the overseas ap-
the Government of Iraq pursuant to UNSC Resolution 661.
(b) "UNSC Resolution 661."—The term UNSC Resolution 661 means United Nations Security Council Resolution No. 661, adopted August 6, 1990, prohibiting certain transactions with respect to Iraq and Kuwait.

SEC. . EFFECTIVE DATE.
The prohibition on importation of Iraqi origin petroleum and petroleum products shall be effective 30 days after enactment of this Act.

SA 1023. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

On page 14, line 9, strike "prices." and insert "prices": Provided further, That none of the funds made available in furtherance of or for the purposes of the CALFED Program may be obligated or expended for such purpose unless separate legislation specifically authorizing such expenditures or obligation has been enacted.

SA 1024. Mr. REID (for himself and Mr. DOMENICI) proposed an amendment to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; as follows:

On page 17, line 8, insert the following:

SEC. 204. LOWER COLORADO RIVER BASIN DEVELOPMENT FUND.

(a) In General.—Notwithstanding section 403(f) of the Colorado River Basin Project Act (43 U.S.C. 1543(f)), no amount from the Lower Colorado River Basin Development Fund shall be paid to the general fund of the Treasury until the provisions of the stipulation referred to in subsection (a) are met by the date that is 3 years after the date of enactment of this Act, payments to the general fund of the Treasury until each provision of the Stipulation Regarding a Stay and for Ultimate Development for the fiscal year ending September 30, 2002, and for other purposes; as follows:

(b) Payment to General Fund.—If any of the provisions of the stipulation referred to in subsection (a) is not met by the date that is 3 years after the date of enactment of this Act, payments to the general fund of the Treasury until each provision of the stipulation referred to in subsection (a) is met by the date that is 3 years after the date of enactment of this Act, payments to the general fund of the Treasury until each provision of the Stipulation Regarding a Stay and for Ultimate Development for the fiscal year ending September 30, 2002, and for other purposes; as follows:

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In Title I, page 11, line 16, after "Plan", insert the following:

"SEC. . GUADALUPE RIVER, CALIFORNIA.

The project for flood control, Guadalupe River, California, authorized by Section 401 of the Water Resources Development Act of 1986, and the Energy and Water Development Appropriation Acts of 1986 and 1992, is modified to authorize the Secretary to construct the project substantially in accordance with the General Reevaluation and Environmental Impact Statement for Proposed Project Modifications, dated February 2001, at a total cost of $256,800,000, with an estimated Federal cost $128,700,000, and estimated non-Federal cost of $98,100,000.

On page 2, line 18, before the period, insert the following: "Of the funds appropriated herein shall be available for the conduct of activities related to the selection, by the Secretary of the Army in cooperation with the Environmental Protection Agency, of a permanent disposal site for environmentally sound dredged material from navigational dredging projects in the State of Rhode Island.

At the appropriate place, insert the following:

"SEC. . GUADALUPE RIVER, CALIFORNIA.

The project for flood control, Guadalupe River, California, authorized by Section 401 of the Water Resources Development Act of 1986, and the Energy and Water Development Appropriation Acts of 1986 and 1992, is modified to authorize the Secretary to construct the project substantially in accordance with the General Reevaluation and Environmental Impact Statement for Proposed Project Modifications, dated February 2001, at a total cost of $256,800,000, with an estimated Federal cost $128,700,000, and estimated non-Federal cost of $98,100,000.

On page 2, line 18, before the period, insert the following: "Of the funds provided under Operations and Maintenance for McKiellan-Kerr, Arkansas River Navigation System dredging, $22,338,000 is provided: Provided, that amount, $1,000,000 shall be used for dredging on the Arkansas River for maintenance dredging at the authorized depth and for navigational dredging projects in the State of Rhode Island.

At the appropriate place, insert the following:

"SEC. . GUADALUPE RIVER, CALIFORNIA.

The project for flood control, Guadalupe River, California, authorized by Section 401 of the Water Resources Development Act of 1986, and the Energy and Water Development Appropriation Acts of 1986 and 1992, is modified to authorize the Secretary to construct the project substantially in accordance with the General Reevaluation and Environmental Impact Statement for Proposed Project Modifications, dated February 2001, at a total cost of $256,800,000, with an estimated Federal cost $128,700,000, and estimated non-Federal cost of $98,100,000.

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At the appropriate place, insert the following:

"SEC. . GUADALUPE RIVER, CALIFORNIA.

The project for flood control, Guadalupe River, California, authorized by Section 401 of the Water Resources Development Act of 1986, and the Energy and Water Development Appropriation Acts of 1986 and 1992, is modified to authorize the Secretary to construct the project substantially in accordance with the General Reevaluation and Environmental Impact Statement for Proposed Project Modifications, dated February 2001, at a total cost of $256,800,000, with an estimated Federal cost $128,700,000, and estimated non-Federal cost of $98,100,000.

On page 2, line 18, before the period, insert the following: "Of the funds provided under Operations and Maintenance for McKiellan-Kerr, Arkansas River Navigation System dredging, $22,338,000 is provided: Provided, that amount, $1,000,000 shall be used for dredging on the Arkansas River for maintenance dredging at the authorized depth and for navigational dredging projects in the State of Rhode Island.
SEC. 1. DESIGNATION OF NONNAVIGABILITY OF PENNSYLVANIA-READING SEASHORE LINES RAILROAD, SOUTH of LAKE ERIE.
the Department of the Interior, Bureau of Reclamation, shall maintain funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such drainage service or studies pursuant to Federal Reclamation law.

In Title II, page 14, line 3, after "of "and 2001": Provided further; from the column strike line 3 through line 9 to the period.

In Title I, page 2 line 18, after "until expended," strike the period and insert the following: "Provided further. That within the funds provided herein, the Secretary may use $300,000 for the North Georgia Water Planning District Watershed Study, Georgia."

Insert in paragraph 11, after line 16, at the appropriate place, insert the following: "SEC. . (a)(1) Not later than December 31, 2001, the Secretary shall investigate the flood control project for Fort Fairfield, Maine, authorized under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701a); and (2) determine whether the Secretary is responsible for a design deficiency in the project relating to the interference of ice with pump operation.

"(b) With a statutory determination under subsection (a) that the Secretary is responsible for the design deficiency, the Secretary shall correct the design deficiency, including the cost of design and construction, at 100 percent Federal expense."

At the appropriate place, add the following:

The Corps of Engineers is urged to proceed with design of the Section 295 Mad Creek Flood control project in Iowa.

On page 17, line 22, before the period, insert the following: ""Provided further, That $30,000,000 shall be utilized for technology partnerships supportive of NNSA missions and $3,000,000 shall be utilized at the NNSA laboratories for support of small business interaction, including technology clusters relevant to laboratory mission."

On page 35, add the following: "SEC. 312. (a) In GENERAL. —The Secretary of Energy shall provide for the management of environmental matters (including planning and budgetary activities) with respect to the Paducah Gaseous Diffusion Plant, Kentucky, through the Assistant Secretary of Energy for Environmental Management.

(b) Appropriate place. —(1) In meeting the requirement in subsection (a), the Secretary shall provide for direct communication between the Assistant Secretary of Energy for Environmental Management and the head of the Paducah Gaseous Diffusion Plant on the matters covered by that subsection.

(2) The Assistant Secretary shall carry out activities under this section in direct consultation with the head of the Paducah Gaseous Diffusion Plant.

At the appropriate place, insert the following:

SEC. . CERRILLOS DAM, PUERTO RICO. —The Secretary of the Army shall reassess the allocation of Federal and non-Federal costs for construction of the Cerrillos Dam, carried out as part of the project for flood control of the Apalachee, Chattoochoice and Bucana Rivers, Puerto Rico.

At the appropriate place, insert:

SEC. . The Senate finds that: (1) The Department of Energy's Yucca Mountain Program has been one of the most intense scientific investigations in history.

(2) Significant milestones have been met, including the release of the Science and Engineering Report, and others are due in the near future including the Final Site Suitability Evaluation.

(3) Nuclear power presently provides 20% of the electricity generated in the United States.

(4) A decision on how to dispose of spent nuclear fuel and high level radioactive waste is essential to the future of nuclear power in the United States.

(5) Any decision on how to dispose of spent nuclear fuel and high level radioactive waste must be based on sound science and it is critical that the federal government provide adequate funding to ensure the availability of such science in a timely manner to allow fully informed decisions to be made in accordance with the statutorily mandated process. Therefore be it.

Resolved. That it is the Sense of the Senate that the Conferees on the part of the Senate should ensure that the levels of funding included in the Senate bill for the Yucca Mountain project will be sufficient to maintain an appropriate level of effort to carry out the plan to address the House—passed version of the bill to ensure that a determination on the disposal of spent nuclear fuel and high level radioactive waste can be concluded in accordance with the statutorily mandated process.

At the appropriate place in Title II, insert the following:

SEC. . The Secretary of Interior, in accepting payments for the reimbursable expenses incurred for the replacement, repair, or extraordinary maintenance with regard to the Valve Rehabilitation Project at the Arrowrock Dam on the Arrowrock Division of the Boise Project in Idaho, shall recover no more than $6,900,000 of such expenses according to the application of the current formula for charging users for reimbursable operation and maintenance expenses at Bureau of Reclamation facilities on the Boise Project, and shall recover this portion of such expenses over a period of 15 years.

Insert in the appropriate place in the bill under Paragraph 4. "Provided further. That $1,000,000 shall be made available for community re-use organizations within the office of Worker and Community Transitions."

At the appropriate place, insert the following:

SEC. . The Department of Energy shall consult with the State of South Carolina regarding any decisions or plans related to the disposal of surplus plutonium located at the DOE Savannah River Site. The Secretary of Energy shall prepare not later than September 30, 2002, a plan for those facilities required to ensure the capability to dispose of such materials.

On page 12, between lines 5 and 6, insert the following:

SEC. 1 . STUDY OF CORPS CAPABILITY TO CONSTRUCT RELIC AND WILDLIFE.

Section 704(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(b)) is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as sub-paragraphs (A), (B), (C), and (D), respectively;

(2) by striking "(b) The Secretary" and inserting the following: "(b) Projects. —(1) IN GENERAL.—"The Secretary"; and (3) by striking "the non-Federal share of the cost of any project under this section shall be 25 percent." and inserting the following:

"(2) Cost sharing.—" (A) IN GENERAL.—The non-Federal share of any project under this subsection shall be 25 percent.

"(B) FORM.—The non-Federal share may be provided through in-kind services, including the provision by the non-Federal interest of the land, equipment, and materials that are determined by the Chief of Engineers to be suitable for use in carrying out the project.

"Provided further, That the Secretary determines that the work is integral to the project."

On page 5, line 5 after "Vermont," insert "Provided further. That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $2.5 million of the funds appropriated herein to proceed with the removal of the Embrey Dam, Fredericksburg, Virginia."

On page 11, between lines 16 and 17, insert the following:

SEC. 1 . RARITAN RIVER BASIN, GREEN BROOK SUBBASIN, NEW JERSEY.

The Secretary of the Army shall implement a Federal and non-Federal share of 25 percent, a buyout plan in the western portion of Middlesex Borough, located in the Green Brook subbasin of the Raritan River basin, New Jersey, that includes:

(1) the buyout of to not exceed 10 single-family residences;

(2) flooding of not to exceed 4 commercial buildings located along Prospect Place or Union Avenue; and

(3) the buyout of not to exceed 3 commercial buildings located along Raritan Avenue or Lincoln Avenue.

At the appropriate place, insert the following: "Provided further; That the project for the ACF authorized by section 2 of the Rivers and Harbor Act of March 2, 1945 (Public Law 79-14; 59 Stat. 10) and modified by the first section of the River and Harbor Act of 1946 (80 Stat. 635, chapter 595), is modified to authorize the Secretary, as part of the navigation maintenance activities to develop and implement a plan to be integrated into the long term dredged material management plan that shall be developed to the extent necessary as required by conditions of the State of Florida water quality certification, for periodically removing sandy dredged material from disposal areas to implement a plan to be integrated into the long term dredged material management plan that shall be developed to the extent necessary as required by conditions of the State of Florida water quality certification, for periodically removing sandy dredged material from disposal areas to implement a plan to be integrated into the long term dredged material management plan."

At the appropriate place, insert the following: "Provided further, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $2.5 million of the funds appropriated herein to proceed with the removal of the Embrey Dam, Fredericksburg, Virginia."

No Federal permit or lease shall be issued for oil or gas drilling in the Finger Lakes..."
National Forest, New York, during fiscal year 2002, or thereafter.

In the appropriate place, strike $150,000 for Horsehoe Lake Feasibility Study and replace with $250,000 for Horsehoe Lake Feasibility Study.

SA 1025. Mrs. MURRAY (for herself and Mr. SHELBY) proposed an amendment to the bill H.R. 2290, making appropriate the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 2002, and for other purposes, namely:

**TITLE I**

**DEPARTMENT OF TRANSPORTATION**

**OFFICE OF THE SECRETARY**

**SALARIES AND EXPENSES**

For necessary expenses of the Office of the Secretary, $67,349,000: Provided, That not to exceed $12,500,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: Provided further, That notwithstanding any other provision of law, there may be credited to this appropriation notwithstanding any other provision of law, any funds provided in this Act to exceed five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), section 229(b) of the Social Security Act (42 U.S.C. 429b); and recreation and welfare, $3,427,588,000, of which $965,000,000 shall be available for defense-related drug interdiction; and of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund: Provided, That none of the funds appropriated in this Act shall be available for pay for administrative expenses in connection with shipping commissioners in the United States: Provided further, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and captains: Provided further, That the amounts made available under this heading, not less than $13,541,000, shall be used solely to increase staffing at Search and Rescue stations, surf stations and command centers, increase the training and experience level of individuals serving in said stations through targeted retention efforts, revised personnel policies and expanded training programs, and to modernize and improve the quantity and quality of personal safety equipment, including survival suits, for personnel assigned to said stations: Provided further, That the Department of Transportation Inspector General shall audit and certify to the House and Senate Committees on Appropriations the funding described in the preceding provision is being used solely to supplement and not supplant the Coast Guard’s level of effort in this area.

**ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS**

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, $659,323,000, of which $20,000,000 shall be derived from the Oil Spill Liability Trust Fund, of which $97,921,000 shall be available to acquire, repair, renovate or improve vessels, small boats and related equipment, to remain available until September 30, 2006; $12,500,000 shall be available to acquire new aircraft and increase aviation capability, to remain available until September 30, 2004; $97,921,000 shall be available for other equipment, to remain available until September 30, 2004; $15,000,000 shall be available for personal and family compensation and benefits and related costs, to remain available until September 30, 2004; and $325,200,000 for the Environment and Related Agencies appropriation account, to remain available until September 30, 2006: Provided, That the Commandant of the Coast Guard is authorized to dispose of surplus real property by sale or lease; proceeds shall be credited to this appropriation as offsetting collections and made available only for the National Distress and Response System Modernization program, to remain available for obligations on or before September 30, 2004: Provided further, That none of the funds provided under this heading may be obligated or expended for the Deepwater Systems (IDS) system integration contract until the Secretary or Deputy Secretary of Transportation and the Director, Office of Management and Budget jointly certify to the House and Senate Committees on Appropriations that funding for the program for fiscal years 2003 through 2007, as provided in this Act, is sufficient to carry out the guaranteed loan program, $400,000.

**MINORITY BUSINESS OUTREACH**

For necessary expenses of Minority Business Resource Center outreach activities, $3,000,000, of which remain available until September 30, 2003: Provided, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

**COAST GUARD**

**OPERATING EXPENSES**

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise appropriated, to exceed five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), section 229(b) of the Social Security Act (42 U.S.C. 429b); and recreation and welfare, $3,427,588,000, of which $965,000,000 shall be available for defense-related drug interdiction; and of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund: Provided, That none of the funds appropriated in this Act shall be available for pay for administrative expenses in connection with shipping commissioners in the United States: Provided further, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and captains: Provided further, That the amounts made available under this heading, not less than $13,541,000, shall be used solely to increase staffing at Search and Rescue stations, surf stations and command centers, increase the training and experience level of individuals serving in said stations through targeted retention efforts, revised personnel policies and expanded training programs, and to modernize and improve the quantity and quality of personal safety equipment, including survival suits, for personnel assigned to said stations: Provided further, That the Department of Transportation Inspector General shall audit and certify to the House and Senate Committees on Appropriations the funding described in the preceding provision is being used solely to supplement and not supplant the Coast Guard’s level of effort in this area.

**ENVIRONMENTAL COMPLIANCE AND RESTORATION**

For necessary expenses to carry out the Coast Guard’s environmental compliance and restoration functions under chapter 19 of title 14, United States Code, $16,927,000, to remain available until expended.

**ALTERATION OF BRIDGES**

For necessary expenses for alteration or removal of obstructive bridges, $15,466,000, to remain available until expended.

**RECURSIVE PAY**

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, payments under the Retired Serviceman’s Family Protection Act, and survivor benefits under the Retired Servicemen’s Group Life Insurance Plan, payment for career status bonuses under the National Defense Authorization Act, and for...
payments for medical care of retired personnel and their dependents under the Independent Medical Care Act (10 U.S.C. ch. 55), $387,346,000.

RESERVE TRAINING (INCLUDING TRANSFER OF FUNDS)

For all necessary expenses of the Coast Guard Reserve, as authorized by law; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, $31,732,000, to remain available until expended. $21,722,000 of funds made available under this heading may be transferred to Coast Guard "Operating expenses" or otherwise made available to reimburse the Coast Guard for financial support of the Coast Guard Reserve: Provided further, That none of the funds in this Act may be used by the Coast Guard to assess direct charges on the Coast Guard Reserves for items of activity which were not so charged during fiscal year 1997.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, $83,194,000: Provided, That no more than $25,800,000 of funds made available under this heading may be transferred to Coast Guard "Operating expenses" or otherwise made available to reimburse the Coast Guard for financial support of the Coast Guard Reserve: Provided further, That none of the funds in this Act may be obligated to carry out this heading: Provided further, That none of the funds in this Act may be used for new applicants for the second class aviation medical certificate under the essential airman, aircraft, and repair station certificate program; Provided further, That $195,808,000, to be derived from the Oil Spill Liability Trust Fund: Provided, That none of the funds in this Act may be used for the Coast Guard to assess direct charges on the Coast Guard Reserves for items of activity which were not so charged during fiscal year 1997.

FEDERAL AVIATION ADMINISTRATION OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including operations and research activities related to commercial space transportation, administrative expenses for research and development, establishment of air navigation facilities, the operation (including maintenance of aids) and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease, or transfer of aircraft from funds available under this heading; to be derived from the Airport and Airway Trust Fund, $3,300,000,000: Provided, That none of the funds in this Act may be used for new applicants for the second class aviation medical certificate under the essential airman, aircraft, and repair station certificate program; Provided further, That none of the funds in this Act may be used by the Coast Guard to assess direct charges on the Coast Guard Reserves for items of activity which were not so charged during fiscal year 1997.

RESEARCH, ENGINEERING, AND DEVELOPMENT (AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development; for administration of such programs; for administration of airport safety programs, including those related to airport operating certificates under section 47706 of title 49, United States Code, $1,800,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: Provided, That none of the funds under this heading shall be used for the planning or execution of programs the obligations for which are in excess of $3,300,000,000 in fiscal year 2002, notwithstanding section 125(c) of title 49, United States Code: Provided further, That notwithstanding any other provision of law, not more than $64,397,000 of funds limited under this heading shall be obligated for administration: Provided further, That of the funds under this heading, not more than $10,000,000 may be available to carry out the Essential Air Service program under subchapter II of chapter 417 of title 49 U.S.C., pursuant to section 41743(a) of such title.

GRANTS-IN-AYD FOR AIRPORTS (AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the unobligated balances authorized under 49 U.S.C. 44033, as amended, $201,720,000 are rescinded.

SMALL COMMUNITY AIR SERVICE DEVELOPMENT

For necessary expenses to carry out the Small Community Air Service Development Pilot Program under section 41743 of title 49 U.S.C., $20,000,000, to remain available until expended.

AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to 49 U.S.C. 44307, and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the programs for aviation insurance activities under chapter 445 of title 49, United States Code.

FEDERAL HIGHWAY ADMINISTRATION LIMITATION ON ADMINISTRATIVE EXPENSES

Necessary expenses for administration and operation of the Federal Highway Administration, not to exceed amounts paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: Provided, That of the funds available under section 104(a) of title 23, United States Code: $7,500,000 shall be available for "Child Passenger Protection Education Grants" under section 301(b) of Public Law 105-178, as amended; $7,000,000 shall be available for motor carrier safety research; and $11,000,000 shall be available for the motor carrier crash data improvement program, the commercial driver's license improvement program, and the motor carrier 24-hour telephone hotline.

FEDERAL-AID HIGHWAYS (LIMITATION ON OBLIGATIONS) (HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $31,919,103,000 for Federal-aid highways and highway safety construction programs for fiscal year 2002: Provided, That within the $31,919,103,000 limitation on Federal-aid highways and highway safety construction programs, not more than
$47,500,000 shall be available for the implementa-
tion or continuation of programs for transportation research (sections 502, 503, 504, 506, 507, and 508 of title 23, United States Code, as amended; section 565 of title 49, United States Code; and section 127(b) of title 23, United States Code, as amended; and sections 612 and 5204–5209 of Public Law 105–178) for fiscal year 2002: Provided further, That within the $225,000,000 obligation limitation on Intelligent Transportation Systems, the following sums shall be made available for Intelligent Transportation System projects in the following specified areas: $21,338,391 shall be set aside for the program authorized under section 1101(a)(8)(C) of the Transportation Equity Act for the 21st Century, as amended, and section 204 of title 23, United States Code; $2,332,546 are rescinded.

For necessary expenses for administration, of which $5,000,000 is for the motor carrier safety research, pursuant to section 102(a)(1)(B) of the United States Code, not to exceed $10,000,000 shall be paid in accordance with law from appropriations made available by this Act and from any available take-down balances of the Federal Motor Carrier Safety Administration, together with advances and reimbursements received by the Federal Motor Carrier Safety Administration, of which $5,000,000 shall be set aside for the motor carrier safety operations program: Provided, That such amounts shall be available to carry out the functions and operations of the Federal Motor Carrier Safety Administration.

Provided further, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $135,059,000 for “Motor Carrier Safety Grants”, and “Information Systems”: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.

For payment of obligations incurred in carrying out 49 U.S.C. 31102, 31106 and 31309, $384,837,000, to remain available until expended: Provided, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $135,059,000 for “Motor Carrier Safety Grants”, and “Information Systems”: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 23, United States Code, as amended, $329,000,000 of which $96,360,000 shall remain available until September 30, 2004: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 23, United States Code, as amended, $329,000,000 of which $96,360,000 shall remain available until September 30, 2004: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.

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For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 23, United States Code, as amended, $329,000,000 of which $96,360,000 shall remain available until September 30, 2004: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.

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For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 23, United States Code, as amended, $329,000,000 of which $96,360,000 shall remain available until September 30, 2004: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 23, United States Code, as amended, $329,000,000 of which $96,360,000 shall remain available until September 30, 2004: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 23, United States Code, as amended, $329,000,000 of which $96,360,000 shall remain available until September 30, 2004: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 23, United States Code, as amended, $329,000,000 of which $96,360,000 shall remain available until September 30, 2004: Provided further, That notwithstanding any other provision of law, the funds in this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add or modify requirements to enhance the safety of our Nation’s highway transportation system.
For necessary expenses for railroad research and development, $30,325,000, to remain available until expended.

For necessary expenses for railroad rehabilitation and improvement programs, $10,000,000, to be available for the years 2009 and 2010 for grants to States under 23 U.S.C. 410, and $10,000,000 shall be for the Incentive Grants under 23 U.S.C. 405, and $10,000,000 shall be for the Highway Traffic Safety Grants under 23 U.S.C. 402, $5,000,000 shall be for the Highway Traffic Safety Programs under 23 U.S.C. 402, authorized under 23 U.S.C. 402, 405, 410, and 412, $5,000,000 shall be for the Highway Safety Traffic Data Grants under 23 U.S.C. 402, and $10,000,000 shall be for the "State Highway Safety Data Grants" under 23 U.S.C. 405, 406, 407, and 408, $15,000,000 shall be for the "Occupant Protection Incentive Grants" under 23 U.S.C. 405, 406, 407, and 409, $75,000,000 shall be for "Alcohol-Impaired Driving Countermeasures Grants" under 23 U.S.C. 410, and $10,000,000 shall be for the "State Highway Safety Data Grants" under 23 U.S.C. 411: Provided, further, That none of these funds shall be used for construction, rehabilitation, or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: Provided further, That $10,000,000 of the funds made available for section 402, not to exceed $750,000 of the funds made available for section 405, not to exceed $1,000,000 of the funds made available for section 406, and not to exceed $500,000 of the funds made available for section 411 shall be available to NHTSA for administering highway safety grants under chapter 4 of title 23, United States Code: Provided further, That not to exceed $500,000 of the funds made available for section 410 shall be available to the Secretary for carrying out section 501 of the Act, including payments to the National Highway Traffic Safety Board: Provided further, That $5,250,000 is available to carry out transit cooperative research and development programs authorized by 49 U.S.C. 5313(a), 5314, 5315, and 5322, $29,000,000, to remain available until expended: Provided further, That, notwithstanding any other provision of law, there shall be available for the Federal Transit Administration’s capital investment grants account: Capital Investment Grants (Including Transfer of Funds)
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together with $50,000,000 transferred from "Federal Transit Administration, Formula grants"; and there shall be available for new fixed guideway systems $1,236,400,000, to be available for transit new starts; to be available as follows: $192,492 for Denver, Colorado, Southwest corridor light rail transit project; $3,000,000 for Northeast Indianapolis downtown corridor project; $3,000,000 for Northern Indiana South Shore commuter rail project; $15,000,000 for Salt Lake City, Utah, CBD to University Village light rail transit project; $6,000,000 for Salt Lake City, Utah, University Medical Center light rail transit extension project; $2,000,000 for Salt Lake City, Utah, Ogden- Provo commuter rail project; $4,000,000 for Wilmington, Delaware, Transit Corridor project; $500,000 for Yosemite Area Regional Transportation System project; $60,000,000 for Denver, Colorado, Southeast corridor light rail transit project; $10,000,000 for Kansas City, Missouri, Central Corridor Light Rail Transit project; $25,000,000 for Atlanta, Georgia, MARTA extension project; $2,000,000 for Maine Marine Highway development project; $151,069,771 for New Jersey, Hudson-Bergen light rail transit project; $20,000,000 for Newark-Elizabeth, New Jersey, rail link project; $5,000,000 for New Jersey Urban Core Newark Penn Station improvements project; $7,000,000 for Cleveland, Ohio, Euclid corridor extension project; $2,000,000 for Albuquerque, New Mexico, light rail project; $35,000,000 for Chicago, Illinois, Douglas branch construction project; $5,000,000 for Chicago, Illinois, Ravenswood line extension project; $24,223,268 for St. Louis, Missouri, Metrolink St. Clair extension project; $30,000,000 for Chicago, Illinois, Metra North central, South West, Union Pacific commuter project; $10,900,000 for Charlotte, North Carolina, South Corridor light rail extension project; $9,000,000 for Raleigh, North Carolina, Triangle transit project; $65,900,000 for San Diego, California, Mission Valley East light rail transit extension project; $10,000,000 for Los Angeles, California, East Side corridor light rail transit project; $24,000,000 for San Francisco, California, BART extension project; $9,289,507 for Los Angeles, California, North Hollywood extension project; $5,000,000 for Stockton, California, Altamont commuter rail project; $113,359 for San Jose, California, Tamson West, Dulles Commuter rail project; $6,000,000 for Nashville, Tennessee, Commuter rail project; $19,170,000 for Memphis, Tennessee, Medical Center rail extension project; $150,000 for Des Moines, Iowa, DSM bus feasibility project; $109,000 for Macro Vision Pioneer, Iowa, light rail multiuse project; $3,500,000 for Sioux City, Iowa, light rail feasibility project; $300,000 for Dubuque, Iowa, light rail feasibility project; $2,000,000 for Charleston, South Carolina, Monomech project; $5,000,000 for Anderson County, South Carolina, transit rail project; $70,000,000 for Dallas, Texas, North central light rail transit extension project; $25,000,000 for Houston, Texas, Metro aden project; $4,000,000 for Fort Worth, Texas, Trinity railroad express project; $12,000,000 for Honolulu, Hawaii, Bus rapid transit project; $10,631,245 for Boston, Massachusetts, South Boston Piers transitway project; $1,000,000 for Boston, Massachusetts, Urban ring transit project; $4,000,000 for Kenosha-Racine, Milwaukee Wisconsin, commuter rail extension project; $23,000,000 for New Orleans, Louisiana, Canal Street Corridor light rail transit project; $7,000,000 for New Orleans, Louisiana, Airport CBD commuter rail project; $5,000,000 for Burlington, Vermont, Burlington to Middlebury rail line project; $1,000,000 for Detroit, Michigan, light rail airport link project; $1,500,000 for Grand Rapids, Michigan, ITP metro area, major corridor project; $500,000 for Iowa, Metrolink light rail feasibility project; $6,000,000 for Fairfield, Connecticut, Commuter rail project; $4,000,000 for Stamford, Connecticut, Urban transitway project; $5,000,000 for Little Rock, Arkansas, River rail project; $14,000,000 for Maryland, MARC commuter rail improvements projects; $3,000,000 for Baltimore, Maryland light rail transit project; $60,000,000 for Largo, Maryland, metrorail extension project; $18,120,000 for Baltimore, Maryland, central light rail transit double track project; $24,500,000 for Puget Sound, Washington, Sounder commuter rail project; $30,000,000 for Port Lauderdale, Florida, Tri-County commuter rail project; $8,000,000 for Pawtucket-TF Green, Rhode Island, commuter rail and maintenance facility project; $1,500,000 for Johnson County, Kansas, commuter rail project; $20,000,000 for Long Island Railroad, New York, east side access project; $3,000,000 for New York, New York, Second Avenue subway project; $4,000,000 for Birmingham, Alabama, transit corridor project; $5,000,000 for Nashua, New Hampshire-Lowell, Massachusetts, commuter rail project; $10,000,000 for Pittsburgh, Pennsylvania, North Shore connector light rail extension project; $16,000,000 for Philadelphia, Pennsylvania, Schuylkill Valley metro project; $20,000,000 for Pittsburgh, Pennsylvania, stage II light rail transit reconstruction project; $2,500,000 for Scranton, Pennsylvania, rail service to New York City project; $2,500,000 for Waialua, Alaska, alternate route project; $1,000,000 for Ohio, Central Ohio North Corridor rail (CINCOR) project; $4,000,000 for Virginia, VRE station improvements project; $50,000,000 for Twin Cities, Minnesota, Hiawatha Corridor light rail transit project; $70,000,000 for Portland, Oregon, Interstate MAX light rail transit extension project; $50,149,000 for San Juan, Tren Urbano project; $10,296,000 for Alaska and Hawaii Ferry projects.

JOB ACCESS AND REVERSE COMMUTE GRANTS

Notwithstanding section 303(7)(c)3 of Public Law 101–182, as amended, for necessary expenses to carry out section 3037 of the Federal Transit Act of 1998, $25,000,000, to remain available until expended: Provided, That no more than $125,000,000 of budget authority shall be available for these purposes: Provided further, That up to $250,000 of the funds provided under this heading may be used by the Federal Transit Administration for technical assistance and support and performance reviews of the Job Access and Reverse Commute Grants program.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds $945,000 shall be derived from the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided under this heading may be used by the Saint Lawrence Seaway Development Corporation, $13,345,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99–662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

For expenses necessary to discharge the functions of the Research and Special Programs Administration, $41,983,000, of which $945,000 shall be derived from the Federal Transit Safety Fund, and of which $5,434,000 shall remain available until September 30, 2004: Provided, That up to $1,200,000 in fees collected under 49 U.S.C. 508(e) shall be deposited in the general fund of the Treasury as offsetting receipts: Provided further, That there may be credited to this appropriation, to be used only for research, development, and technologies, any amounts which have been collected pursuant to Public Law 99–662.

EMERGENCY PREPAREDNESS GRANTS

For expenses necessary to carry out the functions of the pipeline safety program, for grants-in-aid to carry out a pipeline safety program, as authorized by 49 U.S.C. 60107, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990, $58,750,000, of which $11,472,000 shall be derived from the Oil Spill Liability Trust Fund and shall remain available until September 30, 2003, of which $47,278,000 shall be derived from the Pipeline Safety Fund, of which $90,828,000 shall remain available until September 30, 2003.

EMERGENCY PREPAREDNESS GRANTS

For necessary expenses to carry out 49 U.S.C. 5127(c), $200,000, to be derived from the Emergency Preparedness Fund, to remain available until September 30, 2004: Provided, That grants-in-aid shall be made available for obligation in fiscal year 2002 from amounts made available by 49 U.S.C.
(3) the ratio that—
(a) the obligation limitation for Federal-aid Highways less the aggregate of amounts not distributed under paragraphs (1) and (2), bears to
(b) the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction programs (other than sums authorized to be appropriated for sections 117 through 117k of title 23, United States Code, that are equal to the amount referred to in subsections (b) through (f) of section 110 of title 23, United States Code, for the fiscal year under section 105 of title 23, United States Code (relating to minimum guarantee) so that the amount of obligation authorized for such programs is equal to the amount determined by multiplying the ratio determined under paragraph (3) by the sums authorized to be appropriated for such section (except in the case of section 105, $2,000,000,000) for such fiscal year;
(5) distribute the obligation limitation provided for Federal-aid Highways less the aggregate amounts not distributed under paragraphs (1) and (2) and amounts distributed under paragraph (4) for each of the programs that are allocated by the Secretary under title I, United States Code, for activities to which paragraph (1) applies and programs to which paragraph (4) applies) by multiplying the ratio determined under paragraph (3) by the sums authorized to be appropriated for such program for such fiscal year; and
(6) distribute the obligation limitation provided for Federal-aid Highways less the aggregate amounts not distributed under paragraphs (1) and (2) and amounts distributed under paragraphs (4) and (5) for Federal-aid highway and highway safety construction programs (other than the minimum guarantee program, but only to the extent that amounts apportioned for the minimum guarantee program for such fiscal year exceed $2,639,000,000, and the Appalachian development highway system program) that are apportioned by the Secretary under title 23, United States Code, in the ratio that—
(A) sums authorized to be appropriated for such programs that are apportioned to each State for such fiscal year, bear to
(B) the total of the sums authorized to be appropriated for such programs that are apportioned to all States for such fiscal year.
(b) EXCEPTIONS FROM OBLIGATION LIMITATION.—The obligation limitation for Federal-aid Highways shall not apply to obligations:
(1) under section 125 of title 23, United States Code; or
(2) under section 147 of the Surface Transportation Assistance Act of 1982.
(c) Delegation.—The obligation limitation for Federal-aid Highways shall not apply to obligations:
(1) under section 125 of title 23, United States Code; or
(2) under section 147 of the Surface Transportation Assistance Act of 1982.
(d) Delegation.—The obligation limitation for Federal-aid Highways shall not apply to obligations:
(1) under section 125 of title 23, United States Code; or
(2) under section 147 of the Surface Transportation Assistance Act of 1982.
(e) Delegation.—The obligation limitation for Federal-aid Highways shall not apply to obligations:
(1) under section 125 of title 23, United States Code; or
(2) under section 147 of the Surface Transportation Assistance Act of 1982.
(f) Delegation.—The obligation limitation for Federal-aid Highways shall not apply to obligations:
(1) under section 125 of title 23, United States Code; or
(2) under section 147 of the Surface Transportation Assistance Act of 1982.
(g) Delegation.—The obligation limitation for Federal-aid Highways shall not apply to obligations:
(1) under section 125 of title 23, United States Code; or
(2) under section 147 of the Surface Transportation Assistance Act of 1982.
(h) Delegation.—The obligation limitation for Federal-aid Highways shall not apply to obligations:
(1) under section 125 of title 23, United States Code; or
(2) under section 147 of the Surface Transportation Assistance Act of 1982.
before the date of the enactment of the Transportation Equity Act for the 21st Century (Public Law 105–178) is amended by adding at the end, the following line: ‘‘Detroit, Michigan Metropolitan Airport rail project.’’

SEC. 325. None of the funds in this Act may be obligated or expended for employee training which: (a) does not meet identified needs for knowledge, skills and abilities bearing directly upon the performance of official duties; (b) contains elements likely to induce high levels of emotional response or psychological stress in some participants; (c) does not require prior employee notification of the content and methods to be used in the training and written evaluations; (d) contains any methods or content associated with religious or quasi-religious belief systems or ‘‘new age’’ belief systems as defined in Equal Employment Opportunity Commission Notice No. 915, dated September 2, 1988; (e) is offensive to, or designed to change, participants’ personal values or lifestyle outside the workplace; or (f) includes content related to human immuno-deficiency virus/acquired immune deficiency syndrome (HIV/AIDS) other than that necessary to make employees aware of the medical ramifications of HIV/AIDS and the workplace rights of HIV-positive employees.

SEC. 326. None of the funds in this Act shall, in the absence of express authorization by Congress, be used directly or indirectly to pay for any personal service, advertisement, telegraph, telephone, letter, printed or written material, radio, television, video presentation, electronic communications, or other device, intended or designed to influence in any manner a Member of Congress or of a State legislature to favor or oppose by vote or otherwise, any legislation or appropriation by Congress or a State legislature after the introduction of any bill or resolution in Congress proposing such legislation or appropriation, or after the introduction of any bill or resolution in a State legislature proposing such legislation or appropriation: Provided, That this shall not prevent officers or employees of the Department of Transportation or the National Aeronautics and Space Administration, from communicating to Members of Congress or to Congress, on the request of any Member, or to members of State legislature, or to any other entity, any matter of public interest necessary to the efficient conduct of business.

SEC. 327. None of the funds made available in this Act may be expended by an entity unless the entity agrees to...
that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a–10c).

(b) SENSE OF THE CONGRESS; REQUIREMENT REGARDING NOTICES.

(1) PURCHASING AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by the Federal agency engaged in the procurement or by the person intentionally affixed a label bearing a “Made in America” inscription, or any inscription with the same meaning, to any product, the person is ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the Buy American Act, for any purpose.

(3) SURCHARGES ON NONAMERICAN SOURCES.—If a non-American source is used to furnish products to an entity receiving financial assistance provided in this Act under Section 402 of Title 23, United States Code, to produce and place highway safety public service messages in television, radio, and on the Internet in accordance with guidance issued by the Secretary of Transportation: Provided, That no State that uses funds for such public service messages shall submit to the Secretary a report describing and assessing the effectiveness of the messages: Provided further, That $15,000,000 designated for innovative grant funds under Section 157 of Title 23, United States Code shall be used for national television and radio advertising to support the national safety public service messages conducted in all states, aimed at increasing safety belt and child safety seat use and controlling drunk driving.

SEC. 338. Notwithstanding any other provision of law, States may use funds provided in this Act under Section 402 of Title 23, United States Code, to produce and place highway safety public service messages in television, radio, and on the Internet in accordance with guidance issued by the Secretary of Transportation: Provided, That any State that uses funds for such public service messages shall submit to the Secretary a report describing and assessing the effectiveness of the messages: Provided further, That $15,000,000 designated for innovative grant funds under Section 157 of Title 23, United States Code shall be used for national television and radio advertising to support the national safety public service messages conducted in all states, aimed at increasing safety belt and child safety seat use and controlling drunk driving.

SEC. 339. Section 111(a) of the Interstate Surface Transportation Efficiency Act of 1991 (23 U.S.C. 127 note) is amended—

(1) by striking paragraph (1), by inserting “OVER-THE-ROAD BUSES AND” before “PUBLIC”;

(2) in paragraph (1), by striking “to any vehicle” and inserting the following:—

“(A) any over-the-road bus;

(B) any vehicle that”;

and

(3) by striking paragraphs (2) and (3) and inserting the following:—

“(2) STUDY AND REPORT CONCERNING APPLIABILITY OF MAXIMUM AXLE WEIGHT LIMITATIONS TO OVER-THE-ROAD BUSES AND PUBLIC TRANSIT VEHICLES.—

(A) STUDY AND REPORT.—Not later than July 31, 2003, the Secretary shall conduct a study of, and submit to Congress a report on, the maximum axle weight limitations applicable to vehicles using the Dwight D. Eisenhower National System of Interstate and Defense Highways established under section 127 of title 23, United States Code, or under State law, as the limitations apply to over-the-road buses and public transit vehicles.

(B) DETERMINATION OF APPLICABILITY OF VEHICLE WEIGHT LIMITATIONS.—

(i) IN GENERAL.—The report shall include—

(1) a determination concerning how the requirements of section 127 of that title should be applied to over-the-road buses and public transit vehicles; and

(2) short-term and long-term recommendations concerning the applicability of those requirements.

(ii) CONSIDERATIONS.—In making the determination described in clause (i)(1), the Secretary shall consider—

(I) vehicle design standards;

(II) statutory and regulatory requirements, including—

(aa) the Clean Air Act (42 U.S.C. 7401 et seq.);

(bb) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.); and

(cc) motor vehicle safety standards prescribed under chapter 301 of title 49, United States Code; and

(III) the availability of lightweight materials suitable for use in the manufacture of over-the-road buses;
"(bb) the cost of those lightweight materials relative to the cost of heavier materials in use as of the date of the determination; and
"(cc) any safety or design considerations relating to United States and Mexican motor carriers; and
"(DC) Analysis of Means of Encouraging Development and Manufacture of Lightweight Buses.—The report shall include an analysis of recommendations concerning, means to be considered to encourage the development and manufacture of lightweight buses, including an analysis of—
"(i) the weight that would be added to the vehicle by implementation of the proposed rule;
"(ii) the benefits of the over-the-road bus industry to the environment, the economy, and the transportation system of the United States.
"(3) Definitions.—In this subsection:
"(B) PUBLIC TRANSIT VEHICLE.—The term public transit vehicle means a vehicle described in paragraph (1)(B).
"SEC. 343. SAFETY OF CROSS-BORDER TRUCKING BETWEEN UNITED STATES AND MEXICO. No funds limited or appropriated in this Act shall be used for an inspector conducting on-site safety compliance reviews in Mexico consistent with the safety fitness evaluation procedures set forth in part 385 of title 49, Code of Federal Regulations, or for the processing of an application by a Mexican motor carrier for authority to operate beyond the United States-Mexico border unless—
"(1) the Federal Motor Carrier Safety Administration—
"(A) all new inspector positions funded under this Act shall be dedicated to enforcement units operating adjacent to United States-Mexico border crossings with Weigh-In-Motion (WIM) systems as well as fixed scales suitable for enforcement action and technical specialists; and
"(B) each inspector conducting on-site safety compliance reviews in Mexico consistent with the safety fitness evaluation procedures set forth in part 385 of title 49, Code of Federal Regulations, is fully trained as a safety specialist;
"(2) each inspector verifying by either means the weight of a commercial vehicle operating by a Mexican motor carrier may not enter the United States at a border crossing unless an inspector is on duty; and
"(3) the requirement of subparagraph (B) has not been met by transferring experienced inspectors from other parts of the United States to the United States-Mexico border, undermining the level of inspection coverage and safety elsewhere in the United States; and
"(4) it publishes in final form regulations—
"(i) under section 210(b) of the Motor Carrier Safety Improvement Act of 1999 (49 U.S.C. 31144) that establish minimum requirements for the use of Mexican motor carriers, to ensure they are knowledgeable about Federal safety standards, that include the administration of a pre-employment testing program for motor carrier safety auditors;
"(ii) under section 31148 of title 49, United States Code, that implement measures to improve training and provide for the certification of Mexican inspectors; and
"(iii) under sections 218(a) and (b) of that Act (49 U.S.C. 31133) establishing standards for the establishment and operation of the United States-Mexico border inspection centers.
"SEC. 344. ACQUISITION PROJECTS: TASC.—(A) Fiscal Year 2002 TASC Obligations.—The Department of Transportation shall obligate no more than $88,323,000, which limits fiscal year 2002 TASC obligations for elements of the Transportation Administration funded in this Act to no more than $37,000,000: Provided, That such reports shall also provide abbreviated information on the status of shore closures with Weigh-In-Motion (WIM) systems as well as fixed scales suitable for enforcement action and technical specialists.
"SEC. 345. ACQUISITION PROJECTS: TASC.—(A) Fiscal Year 2002 TASC Obligations.—The Department of Transportation shall obligate no more than $88,323,000, which limits fiscal year 2002 TASC obligations for elements of the Transportation Administration funded in this Act to no more than $37,000,000: Provided, That such reports shall also provide abbreviated information on the status of shore closures with Weigh-In-Motion (WIM) systems as well as fixed scales suitable for enforcement action and technical specialists.
""(B) each inspector conducting on-site safety compliance reviews in Mexico consistent with the safety fitness evaluation procedures set forth in part 385 of title 49, Code of Federal Regulations, is fully trained as a safety specialist;
"(C) each motor carrier conducting an inspection of a Mexican motor carrier for authority to operate beyond the United States-Mexico border under which a commercial vehicle operated by a Mexican motor carrier may not enter the United States at a border crossing unless an inspector is on duty; and
"(D) the Department of Transportation Inspector General certifies in writing that—
"(1) all new inspector positions funded under this Act have been filled; and the inspectors have been fully trained;
"(2) each inspector conducting on-site safety compliance reviews in Mexico consistent with the safety fitness evaluation procedures set forth in part 385 of title 49, Code of Federal Regulations, is fully trained as a safety specialist;
"(3) the requirement of subparagraph (B) has not been met by transferring experienced inspectors from other parts of the United States to the United States-Mexico border, undermining the level of inspection coverage and safety elsewhere in the United States; and
"(4) it publishes in final form regulations—
"(i) under section 210(b) of the Motor Carrier Safety Improvement Act of 1999 (49 U.S.C. 31144) that establish minimum requirements for the use of Mexican motor carriers, to ensure they are knowledgeable about Federal safety standards, that include the administration of a pre-employment testing program for motor carrier safety auditors;
"(ii) under section 31148 of title 49, United States Code, that implement measures to improve training and provide for the certification of Mexican inspectors; and
"(iii) under sections 218(a) and (b) of that Act (49 U.S.C. 31133) establishing standards for the establishment and operation of the United States-Mexico border inspection centers.
""(H) the Federal Motor Carrier Safety Administration has implemented a policy to ensure that no Mexican motor carrier will be granted authority to operate beyond United States municipalities and commercial zones in the United States unless the United States is assured that carrier provides proof of valid insurance with an insurance company licensed and based in the United States; and
"(i) publishes in final form regulations—
"(1) under section 210(b) of the Motor Carrier Safety Improvement Act of 1999 (49 U.S.C. 31144) that establish minimum requirements for the use of Mexican motor carriers, to ensure they are knowledgeable about Federal safety standards, that include the administration of a pre-employment testing program for motor carrier safety auditors; and
"(2) under section 31148 of title 49, United States Code, that implement measures to improve training and provide for the certification of Mexican inspectors; and
"(B) each inspector conducting on-site safety compliance reviews in Mexico consistent with the safety fitness evaluation procedures set forth in part 385 of title 49, Code of Federal Regulations, is fully trained as a safety specialist;
"(C) the requirement of subparagraph (B) has not been met by transferring experienced inspectors from other parts of the United States to the United States-Mexico border, undermining the level of inspection coverage and safety elsewhere in the United States; and
"(D) the Federal Motor Carrier Safety Administration has implemented a policy to ensure compliance with hours-of-service rules under part 383 of title 49, Code of Federal Regulations, that prohibit foreign motor carriers from leasing vehicles to another carrier to transport products to the United States while the lessor is subject to a suspension, restriction, or limitation on its right to operate in the United States; and
"(E) the information infrastructure of the Mexican government is sufficiently accurate, accessible, and integrated with that of U.S. law enforcement authorities to allow U.S. authorities to verify the status and validity of vehicle registrations, operating authority and insurance of Mexican motor carriers while operating in the United States, and that adequate telecommunications links exist at all United States-Mexico border crossings used by Mexican motor carrier commercial vehicles, and in all mobile enforcement units operating adjacent to the United States-Mexico border.
verified at border crossings or by mobile enforcement units; and
(H) measures are in place in Mexico, similar to those in place in the United States, to ensure the effective enforcement and monitoring of license revocation and licensing procedures.

For purposes of this section, the term ‘‘Mexican motor carrier’’ shall be defined as a Mexico-domiciled motor carrier operating beyond the United States municipalities and commercial zones on the United States-Mexico border.

S. 346. Notwithstanding any other provision of law, for the purpose of calculating the non-federal contribution to the net project cost of the Regional Transportation Department Support Corridor Fixed Guideway Project in Clark County, Nevada, the Secretary of Transportation shall include all non-federal contributions (whether public or private) made on or after January 1, 2000 for engineering, final design, and construction of any element or phase of the project, including any fixed guideway project or segment connecting to the project. The Secretary also shall allow non-federal funds (whether public or private) expended on one element or phase of the project to be used to meet the non-federal share requirement of any element or phase of the project.

S. 401. (a) Item 13 is stricken and item 14 is inserted in its place as follows:
(b) Item 17 is stricken and item 8 is inserted in its place as follows:
(c) Item 21 is stricken and item 8 is inserted in its place as follows:
(d) Item 24 is stricken and item 8 is inserted in its place as follows:
(e) Item 25 is stricken and item 8 is inserted in its place as follows:
(f) Item 26 is stricken and item 8 is inserted in its place as follows:
(g) Item 27 is stricken and item 8 is inserted in its place as follows:
(h) Item 28 is stricken and item 8 is inserted in its place as follows:
(i) Item 29 is stricken and item 8 is inserted in its place as follows:
(j) Item 30 is stricken and item 8 is inserted in its place as follows:
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(l) Item 32 is stricken and item 8 is inserted in its place as follows:
(m) Item 33 is stricken and item 8 is inserted in its place as follows:
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(q) Item 37 is stricken and item 8 is inserted in its place as follows:
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(u) Item 41 is stricken and item 8 is inserted in its place as follows:
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(C) Item 49 is stricken and item 8 is inserted in its place as follows:
(D) Item 50 is stricken and item 8 is inserted in its place as follows:
(E) Item 51 is stricken and item 8 is inserted in its place as follows:
(F) Item 52 is stricken and item 8 is inserted in its place as follows:
(G) Item 53 is stricken and item 8 is inserted in its place as follows:
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(K) Item 57 is stricken and item 8 is inserted in its place as follows:
(L) Item 58 is stricken and item 8 is inserted in its place as follows:
(M) Item 59 is stricken and item 8 is inserted in its place as follows:
(N) Item 60 is stricken and item 8 is inserted in its place as follows:
(O) Item 61 is stricken and item 8 is inserted in its place as follows:
(P) Item 62 is stricken and item 8 is inserted in its place as follows:
(Q) Item 63 is stricken and item 8 is inserted in its place as follows:
(R) Item 64 is stricken and item 8 is inserted in its place as follows:
(S) Item 65 is stricken and item 8 is inserted in its place as follows:
(T) Item 66 is stricken and item 8 is inserted in its place as follows:
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(V) Item 68 is stricken and item 8 is inserted in its place as follows:
(W) Item 69 is stricken and item 8 is inserted in its place as follows:
(X) Item 70 is stricken and item 8 is inserted in its place as follows:
(Y) Item 71 is stricken and item 8 is inserted in its place as follows:
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(pp) Item 88 is stricken and item 8 is inserted in its place as follows:
(qq) Item 89 is stricken and item 8 is inserted in its place as follows:
(rr) Item 90 is stricken and item 8 is inserted in its place as follows:
(ss) Item 91 is stricken and item 8 is inserted in its place as follows:
(tt) Item 92 is stricken and item 8 is inserted in its place as follows:
(uu) Item 93 is stricken and item 8 is inserted in its place as follows:
(vv) Item 94 is stricken and item 8 is inserted in its place as follows:
 ww) Item 95 is stricken and item 8 is inserted in its place as follows:
(xx) Item 96 is stricken and item 8 is inserted in its place as follows:
 yy) Item 97 is stricken and item 8 is inserted in its place as follows:
 zz) Item 98 is stricken and item 8 is inserted in its place as follows:
**SA 1027. Mr. SPECTER proposed an amendment to the bill S. 1172, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2002, and for other purposes; as follows:**
At the appropriate place, insert the following:
**MAILINGS FOR TOWN MEETINGS**

For mailings of postal patron postcards by Members for the purpose of providing notice of a town meeting by a Member in a county (or equivalent unit of local government) with a population of less than 50,000, the Member will personally attend to be allotted as requested, $3,000,000, subject to authorization:
Provided That any amount allocated to a Member for such mailing under this paragraph shall not exceed 50 percent of the cost of the mailing and the remaining costs shall be paid by the Member from other funds available to the Member.

On page 33, line 6, strike $419,843,000 and insert $416,843,000.

**NOTICE OF HEARING**

**COMMITTEE ON ENERGY AND NATURAL RESOURCES**

Mr. BINGAMAN. Mr. President, I would like to announce, for the information of the Senate and the public, that the Committee on Energy and Natural Resources has scheduled two hearings to receive testimony on legislative proposals relating to comprehensive electricity restructuring, including electricity provisions of S. 388 and S. 977, and electricity provisions contained in S. 1273 and S. 2908 of the 106th Congress.

The hearings will take place on Wednesday, July 25, at 9:30 a.m., in room 366 of the Dirksen Senate Office Building, and Thursday, July 26, at 9:45 a.m., in room 106 of the Dirksen Senate Office Building.

Those wishing to submit written statements on the legislation should address them to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, Attention, Leon Lowery.

For further information, please call Leon Lowery at 202-224-2299.

**AUTHORITY FOR COMMITTEES TO MEET**

**COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY**

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, July 19, 2001. The purpose of this hearing will be to discuss the nutrition title of the next federal farm bill.

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

**COMMITTEE ON ARMED SERVICES**

Mr. REID. Mr. President, I ask unanimous consent that the Committee on
Armed Services be authorized to meet during the session of the Senate on Thursday, July 19, 2001, at 9:30 a.m., in open session to continue to receive testimony on ballistic missile defense programs and policies, in review of the Defense authorization request for fiscal year 2002.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. 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 July 19, 2001, to conduct a hearing on the nomination of Mr. Harvey L. Pitt to be Chairman of the Securities and Exchange Commission.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. REID. 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 19, at 9:30 a.m., to conduct a hearing. The committee will receive testimony on proposals related to removing barriers to distributed generation, renewable energy, and other advanced technologies in electricity generation and transmission, including section 301 and title VI of S. 597, the Comprehensive and Balanced Energy Policy Act of 2001; sections 110, 111, 112, 710, and 711 of S. 388, the National Energy Security Act of 2001; and S. 933, the Combined Heat and Power Advancement Act of 2001. The committee will also receive testimony on proposals relating to the hydroelectric relicensing procedures of the Federal Energy Regulatory Commission in electricity generation and transmission, including section 301 and title VII of S. 388; title VII of S. 597; and S. 71, the Hydroelectric Licensing Process Improvement Act of 2001.

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

COMMITTEE ON FINANCE

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Thursday, July 19, 2001, to hear testimony on Trade Adjustment Assistance.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 19, at 10 a.m., to hold a hearing on "Mexico: Policy: Effects of Restrictions on International Family Planning Funding".

Witnesses

Panel 1: The Honorable Tim Hutchinson, United States Senate, Washington, DC; The Honorable Nita M. Lowey, United States House of Representatives, Washington, DC; The Honorable Harry Reid, United States Senate, Washington, DC.

Panel 2: Mr. Alan J. Kreczko, Acting Assistant Secretary of the Bureau of Population, Refugees and Migration, State Department, Washington, DC.

Panel 3: Mr. Daniel E. Pellegron, President, Pathfinder International, Watertown, MA; Dr. Nicholas N. Eberstadt, Visiting Scholar, American Enterprise Institute, Washington, DC; Mr. Arveh Neier, President, Open Society Institute, New York, NY; Cathy Cleaver, Director of Planning & Information, U.S. Conference of Catholic Bishops, Washington, DC.

Panel 4: Dr. Nirmal Bista, Director General, Family Planning Association of Nepal, Kathmandu, Nepal; Ms. Susana Silva, President, Movimiento Manuela Ramos, Lima, Peru; Professor M. Sophia Aguirre, The Catholic University of America, Department of Business Economics, Washington, DC.

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

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

COMMITTEE ON OUTREACH

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Outreach be authorized to meet during the session of the Senate on Thursday, July 19, 2001, to hear testimony on proposals relating to the hydroelectric relicensing procedures of the Federal Energy Regulatory Commission in electricity generation and transmission, including section 301 and title VII of S. 388; title VII of S. 597; and S. 71, the Hydroelectric Licensing Process Improvement Act of 2001.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 19, 2001, to conduct a markup on Thursday, July 19, at 2:30 p.m., to hold a nomination hearing.

Nominees

Panel 1: Mr. Stuart A. Bernstein, of the District of Columbia, to be Ambassador to Denmark; Mr. Michael E. Guest, of South Carolina, to be Ambassador to Romania; Mr. Charles A. Heimbold, Jr., of Rhode Island, to be Ambassador to Sweden; Mr. Thomas J. Miller, of Virginia, to be Ambassador to Greece.

Panel 2: The Honorable Larry C. Napper, of Texas, to be Ambassador to the Republic of Kazakhstan; Mr. Jim Nicholson, of Colorado, to be Ambassador to the Holy See; Mr. Mercer Reynolds, of Ohio, to be Ambassador to Switzerland, and to serve concurrently and without additional compensation as Ambassador to the Principality of Liechtenstein.

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

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet on Thursday, July 19, 2001, at 10 a.m., in SD226.

1. Nominations: Ralph F. Boyd Jr. to be Assistant Attorney General, Civil Rights Division; Robert D. McCallum Jr. to be Assistant Attorney General, Civil Division.


3. Commemorative Legislation: S. Res. 16, A resolution designating August 16, 2001, as "National Airborne Day." [Thurmond]: S. Con. Res. 16, A concurrent resolution expressing the sense of Congress that the George Washington letter to Touro Synagogue in Newport, Rhode Island, which is on display at the B'nai B'rith Klutzick National Jewish Museum in Washington, D.C., is one of the most significant early statements buttressing the nascent American constitutional guarantee of religious freedom. [Chafee/Reid].

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

COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Small Business and Entrepreneurship be authorized to meet during the session of the Senate on Thursday, July 19, 2001, beginning at 9:15 a.m., in room 428A of the Russell Senate Office Building to markup pending legislation to be immediately followed by a hearing regarding the President's nomination of Hector V. Barreto, Jr., to be Administrator of the U.S. Small Business Administration.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet during the session of the Senate on Thursday, July 19, 2001, at 1 p.m., in room 418 of the Russell Senate Office Building to markup pending legislation to be immediately followed by a hearing regarding the President's nomination of Hector V. Barreto, Jr., to be Administrator of the U.S. Small Business Administration.

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

COMMITTEE ON VETERANS' AFFAIRS—UNITED STATES SENATE

HEARING ON PENDING VETERANS HEALTH-RELATED LEGISLATION, JULY 19, 2001

Agenda


a. Encourages all Federal, State, and local departments and agencies and other entities and individuals to work toward the national goal of ending homelessness among veterans within a decade.

b. Amends within the Department of Veterans Affairs the Advisory Committee on Homeless Veterans.

c. Directs the Secretary of Veterans Affairs to: (1) support the continuation within the Department of at least one center to monitor the structure, process, and outcome of Department programs addressing homeless veterans; and (2) assign veterans receiving specified services provided in, or sponsored or coordinated by, the Department as beneficiaries within the "comprehensive care" category.

d. Directs the Secretary to: (1) make grants to Department health care facilities
and to grant and per diem providers for the development of programs targeted at meeting certain facility needs of homeless veterans; (2) require certain officials to initiate a plan for joint outreach to veterans at risk of homelessness; (3) carry out two treatment trials for unidentified mental health services delivery; (4) ensure that each Department primary care facility has a mental health treatment capacity; (5) carry out a program of transitional assistance grants to eligible homeless veterans; and (6) make technical assistance grants to aid nonprofit community-based groups in applying for homeless program grants.

e. Extends through FY 2006 the homeless veterans reintegration program.


a. Modifies the VA Employee Incentive Scholarship Program and Debt Reduction Program.

b. Mandates that VA provide Saturday premium pay to title 5/title 38 hybrids.

c. Requires VA’s use of authority to request waivers of the pay reduction for re-employed annuities.

d. Gives VA nurses enrolled in the Federal Employees Retirement System the same ability to use unused sick leave as part of the retirement year calculation that VA nurses enrolled in the Civilian Retirement System have.

e. Requires an evaluation of nurse-managed clinics, including primary care and geriatric clinics.

f. Requires VA to develop a nationwide policy on staffing standards to ensure that veterans are provided with safe and high quality care. Such staffing standards should consider the number of Mix factors required of staff in specific medical settings (such as critical care and long-term care).

g. Requires a report on the use of mandatory overtime by licensed nursing staff and nursing assistants in each facility.

h. Elevates the office of the Nurse Consultant so that person shall report directly to the Under Secretary for Health.

i. Exempts registered nurses, physician assistants, and expanded-function dental auxiliaries from the requirement that part-time service members report to duty on or after April 7, 1999 in order to be considered eligible for retirement annuities;

j. Requires a report on VA’s nurse qualification standards;

k. Makes technical clarifications to the nurse locality pay authorities.

S. 1169: Authorizes VA to provide certain hearing-impaired veterans and veterans with spinal cord injury or dysfunction, in addition to blind veterans, with service dogs to assist them with everyday activities. Sponsor: Senator Rockefeller.

S. : Draft legislation to change the means test used by the VA in determining whether veterans will be placed in enrollment priority group 5 or 7. The current placement eligibility threshold is set at approximately $42,000 regardless of where in the country the veteran is living (text forthcoming). Sponsor: Senator Rockefeller.

S. 1042: Provides that within the limits of Department facilities, VA shall furnish hospital and nursing home care and medical services to Health Army veterans and new Philippine Scouts in the same manner as provided for under section 1710 of title 38 USC. Also authorizes VA to furnish care and services to non-VA veterans for the treatment of the service-connected disabilities and non-service-connected disabilities of such veterans and scouts residing in the Republic of the Philippines on an outpatient basis at the Manila VA Outpatient Clinic. Sponsor: Senator Inouye.

S. Res. 61: Expresses the sense of the Senate that the Secretary of Veterans Affairs should, for the payment of special pay by the Veterans Health Administration, recognize board certifications from the American Association of Physician Specialists. Inc. to the same extent that the Secretary recognizes board certifications from the American Board of Osteopathic Specialists. Sponsor: Senator Rockefeller.

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

SUBCOMMITTEE ON AIRLAND

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Airland of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, July 19, 2001, at 2:30 p.m., in open session to receive testimony on Army modernization and transformation, in review of the Defense authorization request for fiscal year 2002.

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

SUBCOMMITTEE ON WATER AND POWER

Mr. REID. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, July 19, 2001, at 2:30 p.m., to conduct a hearing. The subcommittee will receive testimony on S. 976, the California Ecosystem, Water Supply, and Water Quality Enhancement Act of 2001.

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

FLOOR PRIVILEGE

Mr. DURBIN. Mr. President, I ask unanimous consent that David Sarokin, a detailee on my staff, be granted privileges of the floor today and any subsequent days during which the nomination of John Graham is being considered.

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

ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that on Friday, July 20, at 9:15 a.m. the Senate proceed to executive session to consider en bloc the nominations of Roger Gregory, Sam Sarokin, a detailee on my staff, be an Assistant Secretary of the Treasury.

Mr. REID. Mr. President, I ask unanimous consent that on Friday, July 20, at 9:45 a.m. the Senate vote on the Gregory nomination to be followed by a vote on the Haddon nomination, to be followed by a vote on the Cebull nomination, or the designees: that at 9:45 a.m. the Senate vote on the Gregory nomination to be followed by a vote on the Haddon nomination, to be followed by a vote on the Cebull nomination, or the designees: and at 9:45 a.m. the Senate vote on the Gregory nomination to be followed by a vote on the Haddon nomination, to be followed by a vote on the Cebull nomination, or the designees: that they be Deputy under Secretary of Defense for Policing.

Mr. REID. Mr. President, I ask unanimous consent that after the above votes be tabled, the President be immediately notified of the Senate’s action, and the Senate return to legislative session.

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

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations, Calendar Nos. 202, 211, 212, 236 through 240, 242, 243, and 244; that the HELP Committee be discharged from consideration of the following nominations: Laurie Rich, Assistant Secretary for Intergovernmental and Interagency Affairs; Robert Pasternak, Assistant Secretary for Special Education; Joanne Wilson, Commissioner for Rehabilitation Services Administration; Carl D’Amico, Assistant Secretary for Vocational and Adult Education; Cari Dominguez, to be a member of the Equal Employment Opportunity Commission; that the nominations be confirmed en bloc, the motions to reconsider be laid on the table, and any statements thereon be printed in the RECORD, the President be immediately notified of the Senate’s action, and the Senate then return to legislative session.

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

The nominations were considered and confirmed as follows:

DEPARTMENT OF DEFENSE

Susan Morrissey Livingstone, of Montana, to be Under Secretary of the Navy.

Alberto Jose Mora, of Virginia, to be General Counsel of the Department of the Navy.

Stephen A. Cambone, of Virginia, to be Deputy Under Secretary of Defense for Policy.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Kevin Keane, of Wisconsin, to be an Assistant Secretary of Health and Human Services.

DEPARTMENT OF COMMERCE

William Henry Lash, III, of Virginia, to be an Assistant Secretary of Commerce.

DEPARTMENT OF THE TREASURY

Brian Carlton Roseboro, of New Jersey, to be the Under Secretary of the Treasury.

EXECUTIVE OFFICE OF THE PRESIDENT

Allen Frederick Johnson of Iowa, to be Chief Agricultural Negotiator, Office of the United States Trade Representative, with the rank of Ambassador.

DEPARTMENT OF TRANSPORTATION

Allan Rutter, of Texas, to be Administrator of the Federal Railroad Administration.

DEPARTMENT OF COMMERCE

Samuel W. Bodman, of Massachusetts, to be Deputy Secretary of Commerce.

EXECUTIVE OFFICE OF THE PRESIDENT

Mark B. McClelland, of California, to be a Member of the Council of Economic Advisers.
DEPARTMENT OF THE TREASURY
Sheila C. Blair, of Kansas, to be an Assistant Secretary of the Treasury.

DEPARTMENT OF EDUCATION
Laurie Rich, of Texas, to be Assistant Secretary for Intergovernmental and Interagency Affairs, Department of Education.
Robert Pasternak, of New Mexico, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education.
Joanne M. Wilson, of Louisiana, to be Commissioner of the Rehabilitation Services Administration, Department of Education.
Carol D’Amico, of Indiana, to be Assistant Secretary for Vocational and Adult Education, Department of Education.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Cari M. Dominguez, of Maryland, to be a member of the Equal Employment Opportunity Commission for a term expiring July 1, 2006.

LEGISLATIVE SESSION
The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

AUTHORIZING SENATE LEGAL COUNSEL REPRESENTATION
Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 137 submitted earlier today by the majority leader and the Republican leader.
The PRESIDING OFFICER. The resolution will be reported by the Assistant legislative clerk.
The assistant legislative clerk read as follows:

A resolution (S. Res. 137) to authorize representations of the United States of America in court the constitutional bases for dismissing this suit.

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 89, S. 180.

The PRESIDING OFFICER. The clerk will report the bill by title.
The legislative clerk read as follows:

A bill (S. 180) to facilitate famine relief efforts and comprehensive solutions to the war in Sudan.

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to consider Senator JEFFORDS’ recent decision to become an Independent and to caucus with the Democratic party for organizational purposes within the Senate. Specifically, this lawsuit seeks “to assert the invalidity of Senator JEFFORDS’ change of party by mere announcement” and requests a court order requiring Senator JEFFORDS “to reinstate his status as a Republican Senator” particularly “during the Senate polling and caucusing of its members.”

Through this action, the plaintiffs seek to subject to judicial control a Senator’s choice of with which Senators to caucus, as well as the process by which the Senate chooses its officers and the chairs of its committees. This attempt to question a Senator in court about the performance of his legislative responsibilities in the Senate is barred by the Speech or Debate Clause of the Constitution, which com-

mits such oversight of Senators to the electorate, not to the judiciary. This suit also runs afoul of the clauses of the Constitution by which the Senate chooses its officers, and determines the rules of its proceedings.

Because this suit seeks to challenge the validity of actions taken by Senator JEFFORDS in his official capacity, representation in this case falls appropriately within the Senate Legal Counsel’s statutory responsibility. This resolution would accordingly authorize the Senate Legal Counsel to represent Senator JEFFORDS to present to the Court the constitutional bases for dismissing this suit.

Mr. REID. Mr. President, I ask unanimous consent the resolution and preamble be agreed to on behalf of the Senate, and move that this resolution be printed in the RECORD.

SUDAN PEACE ACT
Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 180.

The PRESIDING OFFICER. Without objection, it is so ordered.
The resolution (S. Res. 137) was agreed to.
The preamble was agreed to.

The resolution is printed in today’s RECORD under “Resolutions Submitted.”

SEC. 1. SHORT TITLE.
S. 180
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 “Sudan Peace Act.”

SEC. 2. FINDINGS.
Congress makes the following findings:

(1) The Government of Sudan has intensified its prosecution of the war against areas outside of its control, which has already cost more than 2,000,000 lives and has displaced more than 4,000,000.

(2) A viable, comprehensive, and internationally sponsored peace process, protected from manipulation, presents the best chance for a permanent resolution of the war, protection of human rights, and a self-sustaining Sudan.

(3) Continued strengthening and reform of humanitarian relief operations in Sudan is an essential element in the effort to bring an end to the war.

(4) Continued leadership by the United States is critical.

(5) Regardless of the future political status of the areas of Sudan outside of the control of the Government of Sudan, the absence of credible and legitimate authorities and institutions is a major impediment to achieving self-sustaining peace, which the Sudanese people and to meaningful progress toward a viable peace process.

(6) Through manipulation of traditional rivalries among peoples in areas outside their full control, the Government of Sudan has effectively used divide and conquer techniques to subvert their populations. Despite the fact that externally sponsored reconciliation efforts have played a critical role in reducing the tactic’s effectiveness and human suffering.

(7) The Government of Sudan is utilizing and organizing militias, Popular Defense Forces, and other irregular units for raiding and slaving parties in areas outside of the control of the Government of Sudan in an effort to severely disrupt the ability of those populations to sustain themselves. The tactics in addition to the overt use of bans on air transport relief flights in prolonging the war through selective starvation and to minimize the Government of Sudan’s accountability internationally.

(8) The Government of Sudan has repeatedly stated that it intends to proceed from future oil sales to increase the tempo and lethality of the war against the areas outside its control.

(9) Through its po veto plans for air transport flights under the United Nations relief operation, Operation Lifeline Sudan (OLS), the Government of Sudan has been able to manipulate the receipt of food aid and by the Sudanese people from the United States and other donor countries as a devastating weapon of war in the ongoing effort by the Government of Sudan to subdue areas of Sudan outside of the Government’s control.

(10) The efforts of the United States and other donors in delivering relief and assistance through means outside OLS have played a critical role in addressing the deficiencies in OLS and offset the Government of Sudan’s manipulation of food donations to advantage the civil war in Sudan.

(11) While the immediate needs of selected areas in Sudan facing starvation have been addressed in the near term, the population in areas of Sudan outside of the control of the Government of Sudan are still in danger of extreme disruption of their ability to sustain themselves.

(12) The Nuba Mountains and many areas in Bahr al Ghazal, Upper Nile, and Blue Nile regions have been excluded completely from relief distribution by OLS, consequently placing their populations at increased risk of famine.

(13) At a cost which has sometimes exceeded $1,000,000 per day, and with a primary focus on providing only the immediate food needs of the recipients, the current international relief operations are neither sustainable nor desirable in the long term.

(14) The ability of populations to defend themselves against attack in areas outside of control of the Government of Sudan’s control has been severely compromised by the disengagement of the front-line sponsor states, fostering the belief within the international community and the Dayton peace agreement that success on the battlefield can be achieved.

(15) The United States should use all means of pressure available to facilitate a comprehensive solution to the war in Sudan, including—

(A) the multilateralization of economic and diplomatic tools to compel the Government of Sudan to enter into a good faith peace process; and

(B) the support or creation of viable democratic civil authority and institutions in areas of Sudan outside government control;
of Sudan over the plans by Operation Lifeline Sudan to end the veto power of the Government of Sudan; and

(C) continued active support of people-to-people activities, such as the Operation Lifeline Sudan and efforts in areas outside of Sudan, and of the Civilian program directed by UNICEF, the World Food Program, and participating relief organizations known as "Operation Lifeline Sudan".

SEC. 3. DEFINITIONS.

In this Act:

(1) GOVERNMENT OF SUDAN.—The term "Government of Sudan" means the National Islamic Front government in Khartoum, Sudan.

(2) OLS.—The term "OLS" means the United Nations operation carried out by UNICEF, the World Food Program, and participating relief organizations known as "Operation Lifeline Sudan".

(3) Sudanese Army.—The term "Sudanese Army" means the armed forces of the Government of Sudan.

(4) Sudanese civilian population.—The term "Sudanese civilian population" means the civilian population of Sudan except for those living in organizations designated by OLS for curtailment of distribution of relief supplies in southern Sudan designated by OLS for curtailment of distribution of relief supplies in southern Sudan.

SEC. 4. CONDEMNATION OF SLAVERY, OTHER HUMAN RIGHTS ABUSES, AND TACTICS OF THE GOVERNMENT OF SUDAN.

Congress hereby—

(1) condemns—

(A) violations of human rights on all sides of the conflict in Sudan; and

(B) the Government of Sudan's overall human rights record, with regard to both the prosecution of the war and the denial of basic human and political rights to all Sudanese; and

(C) the ongoing slave trade in Sudan and the role of the Government of Sudan in abetting and tolerating the practice; and

(D) the use of "murahalliin" or "mujahadeen", of Sudanese Army units into organized and coordinated raiding and slaving parties in Bahr al Ghazal, the Nuba Mountains, Upper Nile, and Blue Nile regions; and

(2) recognizes that, along with selective bans on air transport relief flights by the Government of Sudan, the use of raiding and slaving parties is a tool for creating food shortages and is used as a systematic means to destroy the societies, culture, and economies of the Dinka, Nuer, and Nuba peoples in a policy of low-intensity ethnic cleansing.

SEC. 5. SUPPORT FOR AN INTERNATIONALLY SANCTIONED PEACE PROCESS.

(a) FINDINGS.—Congress hereby recognizes that—

(A) a single viable, internationally and regionally sanctioned peace process is the best opportunity to promote a negotiated, peaceful settlement to the war in Sudan; and

(B) resolution to the conflict in Sudan is best made through a peace process based on the Declaration of Principles reached in Nairobi, Kenya, on July 20, 1994.

(b) UNITED STATES DIPLOMATIC SUPPORT.—The Secretary of State is authorized to utilize the personnel of the Department of State for the support of—

(1) the ongoing negotiations between the Government of Sudan and opposition forces; and

(2) any necessary peace settlement planning or implementation; and

(c) other United States diplomatic efforts supporting a peace process in Sudan.

SEC. 6. MULTILATERAL PRESSURE ON CONFLICTANT;

It is the sense of Congress that—

(1) the United Nations should be used as a tool to facilitating peace and recovery in Sudan; and

(2) the President, acting through the United Nations Permanent Representative to the United Nations, should seek to—

(A) revise the terms of Operation Lifeline Sudan to end the veto power of the Government of Sudan; and

(B) investigate the practice of slavery in Sudan and provide mechanisms for its elimination; and

(C) sponsor a condemnation of the Government of Sudan each time it subjects civilians to aerial bombardment.

SEC. 7. REPORTING REQUIREMENT.

Section 116 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151c) is amended by adding at the end the following:

"(g) In addition to the requirements of subsections (a) and (f), the report required by subsection (a) shall also include the following:

"(1) a description of the sources and current status of Sudan's financing and construction of all oil exploitation infrastructure and pipelines, the effects on the inhabitants of the oil fields regions of such financing and construction, and the Government of Sudan's ability to finance the war in Sudan; and

"(2) a description of the extent to which financing was secured in the United States or with involvement of United States citizens.""

SEC. 8. CONTINUED USE OF NON-OLS ORGANIZATIONS FOR RELIEF EFFORTS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the President should continue to increase the use of non-OLS agencies in the distribution of relief supplies in southern Sudan.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the President shall submit a detailed report to Congress describing the progress made toward carrying out subsection (a).

SEC. 9. CONTINGENCY PLAN FOR ANY BAN ON AIR TRANSPORT RELIEF FLIGHTS.

(a) PLAN.—The President shall develop a contingency plan to provide, outside United Nations auspices if necessary, the possible amount of United States Government and privately donated relief to all affected areas in Sudan, including the Nuba Mountains, Upper Nile, and Blue Nile regions.

(b) REPROGRAMMING AUTHORITY.—Notwithstanding any other provision of law, in carrying out the plan developed under subsection (a), the President may reprogram up to 100 percent of the funds available for support of OLS operations (but for this subsection) for the purposes of the plan.

SEC. 10. HUMANITARIAN ASSISTANCE FOR EXCLUSIVE "NO GO" AREAS OF SUDAN.

(a) PILOT PROJECT ACTIVITIES.—The President, acting through the United States Agency for International Development, is authorized to fund and request proposals from nongovernmental organizations, and implement, pilot project activities to provide food and other humanitarian assistance, as appropriate, to vulnerable populations in Sudan that are residing in exclusionary "no go" areas of Sudan.

(b) STUDY.—The President, acting through the United States Agency for International Development, shall conduct a study examining the adverse impact on communities in Sudan by OLS policies that curtail direct humanitarian assistance to exclusionary "no go" areas of Sudan.

(c) EXCLUSIONARY "NO GO" AREAS OF SUDAN DEFINED.—In this section, the term "exclusionary "no go" areas of Sudan" means areas of Sudan designated by OLS for curtailment of distribution of relief supplies in regions of such financing and construction, and the Government of Sudan's ability to finance the war in Sudan; and

Mr. REID. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be read a third time, and ordered 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 amendment in the nature of a substitute was agreed to.

The bill (S. 180), as amended, was read the third time and passed.

EXPRESSION OF APPRECIATION

Mr. REID. Mr. President, let me say in closing; the assistant minority leader is in the Chamber, and I express through him to the entire Republican caucus our appreciation for their cooperation in moving this legislation that we have just completed, and the nominations. We now have completed three appropriations bills. Last Congress at this same time we were able to complete eight before the August recess. That is a goal we have. We certainly would like to be able to do that.

Even though there has been a few missteps this week back and forth, I think there has been an understanding as to what is expected on each side. Again, I express my appreciation to the entire Republican caucus, through my friend, the senior Senator from Oklahoma, the assistant minority leader.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to thank my friend and colleague, Senator Reid from Nevada. We did get some things accomplished today. We did pass two appropriations bills. We did confirm, I think, about 18 people.

And we are going to confirm about three or four tomorrow, and several other individuals. So we are making progress.

I thank my friend and colleague as well for his patience. This is not the easiest process, as we found out in the last session of Congress. Sometimes it is more difficult to pass appropriations bills than it should be. But my friend from Nevada has been very persistent.

He is getting his appropriations bills passed and we are getting some nominations through. I plan to continue working with him to see if we can accomplish both objectives: completing appropriations bills in a timely manner and also seeing to it that President Bush's nominees are given fair consideration and are confirmed in an appropriate timeframe.

The PRESIDING OFFICER. The Senator from Nevada.

ORDERS FOR FRIDAY, JULY 20, 2001

Mr. REID. Mr. President, I ask unanimous consent that when the Senate
CONGRESSIONAL RECORD—SENATE
July 19, 2001

completes its business today, it ad-
journ until the hour of 9:15 a.m., Friday,
July 20. I further ask unanimous con-
sent that on Friday, immediately fol-
lowing the prayer and pledge, the Jour-
nal of proceedings be approved to date,
the morning hour be deemed expired,
and the time for the two leaders be re-
served for their use later in the day.
The PRESIDING OFFICER. Is there ob-
jection?
The Chair hears none, and it is so or-
dered.

PROGRAM
Mr. REID. Mr. President, tomorrow
the Senate will convene at 9:15 a.m.,
with 30 minutes of closing debate in re-
lation to the Gregory, Haddon, and
Cebull nominations, followed by up to
three rolcall votes beginning at ap-
proximately 9:45 tomorrow morning.
Following disposition of the nomina-
tions, the Senate will resume consider-
ation of the Transportation appropri-
tions bill. As has been announced by
the majority leader, after those votes
tomorrow, the first vote will be at 5:45
p.m. on Monday.

ADJOURNMENT UNTIL 9:15 A.M.
TOMORROW
Mr. REID. If there is no further busi-
ness to come before the Senate, I ask
unanimous consent that the Senate
stand in adjournment under the pre-
vious order.

There being no objection, the Senate,
at 10:38 p.m., adjourned until Friday,
July 20, 2001, at 9:15 a.m.

NOMINATIONS
Executive nominations received by
the Senate July 19, 2001:

DEPARTMENT OF ENERGY
LINTON F. BROOKS, OF VIRGINIA, TO BE DEPUTY AD-
MINISTRATOR FOR DEFENSE NUCLEAR NONPROLIFERA-
TION, NATIONAL NUCLEAR SECURITY ADMINISTRATION.

DEPARTMENT OF STATE
RONALD E. NEUMANN, OF VIRGINIA, A CAREER MEM-
BER OF THE SENIOR FOREIGN SERVICE, CLASS OF MIN-
ISTER-COUNSELOR, TO BE AMBASSADOR EXTRAOR-
DINARY AND PLENIPOTENTIARY OF THE UNITED STATES
OF AMERICA TO THE STATE OF BAHRAIN.
NANCY GOODMAN BRINKER, OF FLORIDA, TO BE AM-
BASSADOR EXTRAORDINARY AND PLENIPOTENTIARY
OF THE UNITED STATES OF AMERICA TO THE REPUBLIC
OF HUNGARY.

CONFIRMATIONS
Executive Nominations Confirmed by
the Senate July 19, 2001:

EXECUTIVE OFFICE OF THE PRESIDENT
JOHN D. GRAHAM, OF MASSACHUSETTS, TO BE ADMIN-
ISTRATOR OF THE OFFICE OF INFORMATION AND REGU-
LATORY AFFAIRS, OFFICE OF MANAGEMENT AND BUDG-
ET.

DEPARTMENT OF DEFENSE
SUSAN MORRISLEY LIVINGSTONE, OF MONTANA, TO BE
UNDER SECRETARY OF THE NAVY.
ALBERTO JOSE MORA, OF VIRGINIA, TO BE GENERAL
COUNSEL OF THE DEPARTMENT OF THE NAVY.
STEPHEN A. CAMBONE, OF VIRGINIA, TO BE DEPUTY
UNDER SECRETARY OF DEFENSE FOR POLICY.

FEDERAL RESERVE SYSTEM
ROGER WALTON FERGUSON, JR., OF MASSACHUSETTS,
TO BE A MEMBER OF THE BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM FOR A TERM OF FOURTEEN
YEARS FROM FEBRUARY 1, 2000.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
KEVIN KEANE, OF WISCONSIN, TO BE AN ASSISTANT
SECRETARY OF HEALTH AND HUMAN SERVICES.

DEPARTMENT OF COMMERCE
WILLIAM HENRY LASH, III, OF VIRGINIA, TO BE AN AS-
SISTANT SECRETARY OF COMMERCE.

DEPARTMENT OF THE TREASURY
BRIAN CARLTON ROSEBORO, OF NEW JERSEY, TO BE AN
ASSISTANT SECRETARY OF THE TREASURY.

EXECUTIVE OFFICE OF THE PRESIDENT
ALLEN FREDERICK JOHNSON, OF IOWA, TO BE CHIEF
AGRICULTURAL NEGOTIATOR, OFFICE OF THE UNITED
STATES TRADE REPRESENTATIVE, WITH THE RANK OF
AMBASSADOR.

DEPARTMENT OF TRANSPORTATION
ALLAN BUTTER, OF TEXAS, TO BE ADMINISTRATOR OF
THE FEDERAL RAILROAD ADMINISTRATION.

DEPARTMENT OF COMMERCE
SAMUEL W. BODMAN, OF MASSACHUSETTS, TO BE DEP-
UTY SECRETARY OF COMMERCE.

DEPARTMENT OF EDUCATION
LAURIE RICH, OF TEXAS, TO BE ASSISTANT SEC-
RETARY FOR INTERGOVERNMENTAL AND INTERAGENCY
AFFAIRS, DEPARTMENT OF EDUCATION.
ROBERT PASTERNACK, OF NEW MEXICO, TO BE ASSIST-
ANT SECRETARY FOR SPECIAL EDUCATION AND REHAB-
ILITATIVE SERVICES, DEPARTMENT OF EDUCATION.
JOANNE M. WILSON, OF LOUISIANA, TO BE COMMISS-
IONER OF THE REHABILITATION SERVICES ADMINIS-
TRATION, DEPARTMENT OF EDUCATION.
CAROL D. AMICO, OF INDIANA, TO BE ASSISTANT SEC-
RETARY FOR VOCATIONAL AND ADULT EDUCATION, DE-
PARTMENT OF EDUCATION.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
CARI M. DOMINGUEZ, OF MARYLAND, TO BE A MEMBER
OF THE EQUAL EMPLOYMENT OPPORTUNITY COMIS-
SION FOR A TERM EXPIRING JULY 1, 2006.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT
TO THE NOMINEES’ COMMITMENT TO RESPOND TO RE-
QUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY
CONSTITUTED COMMITTEE OF THE SENATE.
IN HONOR OF FOOD NOT BOMBS
CLEVELAND

HON. DENNIS J. KUCINICH
OF OHIO

IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to recognize Food Not Bombs Cleveland for the significant contributions that organization is making in Ohio's 10th Congressional District and the Greater Cleveland area.

Like other Congressional Districts around the country, my district has severe and significant problems with hunger. This problem is prevalent among those who have places to live and those who do not.

Food Not Bombs Cleveland operates on the principle that society and government should value human life over material wealth. Many of the problems in the world stem from this simple crisis in values.

By giving away free food to people in need in public spaces, such as Cleveland's Public Square every Sunday afternoon since January 1996, Food Not Bombs Cleveland directly dramatizes the level of hunger in this country and the surplus of food being wasted. Food Not Bombs Cleveland also calls attention to the failure of our society to support those within it while amply funding the forces of war and violence.

Food Not Bombs Cleveland is part of an informal network, Food Not Bombs, which was formed in Boston in 1980 as an outgrowth of the anti-nuclear movement in New England. Food Not Bombs Cleveland is committed to the use of non-violent direct action to change society. It is by working today to create sustainable institutions that prefigure the kind of society we want to live in, that Food Not Bombs Cleveland works to bring a vital and caring movement for progressive social change.

Food Not Bombs serves food as a practical act of sustaining people and organizations, not as a symbol. Thousands of meals are served each week by Food Not Bombs groups in North America and Europe. The meals served by Food Not Bombs Cleveland each week are vegetarian, donated by Cleveland-area grocery stores, and are shared with anyone who wants to participate.

It is at these weekly gatherings that information is shared by participants on all issues of significance, from available resources for survival on and off the streets to how to make positive non-violent change in our society. Since many of the participants in Food Not Bombs Cleveland are living on either side of the edge of homelessness, there is much information gathered and shared that is useful to the participants.

For instance, it is at these gatherings that the Northeast Ohio Coalition for the Homeless distributes its "Street Card," detailing all social services available to both the homeless, the formerly homeless, and those at risk of becoming homeless. Participants share information about their own experience with social services resources, both as users and providers of such services. Thus, Food Not Bombs Cleveland operates as an important networking tool for those in need of social services that help those in need.

I am proud of the work that Food Not Bombs Cleveland accomplishes through its free public meals, by drawing attention to the hunger and homelessness crisis in America, and by using direct, non-violent means toward helping resolve these crises. I ask my colleagues to join me in recognition of Food Not Bombs Cleveland the national Food Not Bombs network.

IN MEMORY OF WILLIAM FRANCIS LANDIS

HON. MIKE THOMPSON
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. THOMPSON of California. Mr. Speaker, I rise today to recognize William Francis Landis, who died June 10, 2001 in Humboldt County, California at the age of ninety.

Bill Landis was born in Oakland, California where he attended local schools. In 1939, he graduated from the University of California at Berkeley. He became a full time employee of the Bank of America, having worked for the bank part time while attending the university.

After the 1941 attack on Pearl Harbor, Bill Landis joined the United States Army and served in the Army Air Corps throughout World War II.

When the war ended, Bill Landis returned to work at Bank of America. Before the war he had met his future wife, Marian Adele Anderson, of Ferndale, California. They married and settled in Hayward, California. After the birth of their sons, William, Jr. and James, Bill and Marian decided to move back to Humboldt County to raise their family. The family grew as three more children were born, Charles, Gary and Adele.

Bill worked for the Arcata Plywood Company and was instrumental in organizing Local Union 2808. In 1962 he was elected 5th District Supervisor for the County of Humboldt and was a strong supporter of the establishment of the Redwood National Park.

After his term as Supervisor, he served as business agent for the Humboldt County Employee Union for ten years.

After his retirement, Bill Landis served as Senior Senator, advising the California Legislature on important senior issues. Actively involved at the Eureka Senior Center, he educated others about senior health concerns and advocated lowering the cost of prescription medications for low-income seniors.

A fervent Democrat, a dedicated humanist, and a champion for senior citizens, Bill Landis has left a distinguished legacy to his children and grandchildren.

Mr. Speaker, it is appropriate at this time that we recognize William Francis Landis for his unwavering commitment to the ideals and values that sustain our great country.

A SPECIAL TRIBUTE TO SISTER NANCY LINENKUGEL, OSF, EDM, FACHE

HON. PAUL E. GILLMOR
OF OHIO

IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to recognize Sister Nancy Linenkugel, a member of the Sisters of St. Francis, who will be stepping down as President and Chief Executive Officer of the Providence Health System and the Providence Hospital in Sandusky, Ohio after 21 years of service.

During Sister Nancy's tenure, she worked diligently to improve and enhance not only the hospital but also the people's lives that came into contact with her. Sister Nancy served 15 years as president and CEO of Providence Hospital. In addition to her hospital duties she concurrently served for 14 years as president and CEO of the Providence Health System which is made up of not only Providence Hospital but, Providence Care Centers, Providence Properties, Providence Fund, Providence Enterprises, and Providence Professional Corporation as well.

Over her 21 years, Sister Nancy has guided the Sandusky hospital through a significant period of growth. She has overseen the development of a Women's Center, an obstetrics unit, two physical therapy clinics, a sleep lab, a mobile MRI unit, inpatient rehab unit, and a home health agency, just to name a few. In addition, she established an Open Heart Surgery Program and initiated a physician relations program that significantly boosted hospital admissions. One important goal Sister Nancy had for the hospital was a freestanding long-term care facility. Her dream came true in 1989 when the Providence Care Center, a nursing home, opened its doors.

I am not the only one to recognize her accomplishments. Sister Nancy was inducted into the Ohio Women's Hall of Fame in 1999, given the Distinguished Alumni Award in 1993 from her alma mater Xavier University, named the Erie County Chamber Commerce Businesswoman of the Year in 1992 and the Sandusky Business and Professional Women named her Woman of the Year in 1989.
Mr. Speaker, Sister Nancy Linenkugel is an inspiration. Through her hard work, dedication, and determination, she has made Providence Health Systems one of the best in Ohio and the country. I ask my colleagues to join me in saluting her and wishing her the very best in her future endeavors.

TRIBUTE TO CHRISTINE DIEMER IGER
HON. GARY G. MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. GARY G. MILLER of California. Mr. Speaker, I rise to pay tribute and honor the accomplishments of Christine Diemer Iger, Esq.

Christine Diemer Iger, Chief Executive Officer for the past twelve years at the building Industry Association of Southern California/Orange County Chapter, will be resigning this post in August, 2001, to join the law firm of Manatt, Phelps and Phillips, LLP.

Mrs. Iger will be remembered for her dedication to making the BIA the spokesperson for the Orange County homebuilding industry. She interfaced closely and successfully with local, state, and federal officials to resolve Orange County's diverse and complex land use and building development issues. Prior to joining the Building Industry Association, Orange County Chapter, she served in the administration of Governor George Deukmejian from 1986–1989, as Director of the California Department of Housing and Community Development, and from 1983–1986 as Deputy Attorney General before the Court of Appeals and Supreme Court. Her legal career began in 1977, as Law Clerk for United States Magistrate Edward A. Infante in San Diego. She also served as Assistant Legal Director for the California District Association in 1979.

Mrs. Iger is a past board member of the Federal National Mortgage Association. She currently serves as a board member and audit committee chair of the Keith Companies, a successful engineering company and environmental land-use planning firm.

Mrs. Iger has an outstanding record of service to her community. She is a member of the executive committees for the University of California, Irvine, CEO Roundtable and Foundation, member of the Board of Directors for the Orange County Business Council, Orange County Performing Arts Center, Pacific Symphony Orchestra, and Opera Pacific.

Christine Diemer Iger's exemplary professional service has earned the admiration and respect of those who have had the privilege of working with her. I would like to congratulate her on these accomplishments and wish her well in her new endeavor.

EXTENSIONS OF REMARKS
IN MEMORY OF MR. JEFFREY LEBARRON
HON. DENNIS J. KUCINICH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. KUCINICH. Mr. Speaker, I rise today in memory of a great man, Jeffrey LeBarron. Mr. LeBarron has had a distinguished career working in both public and private sectors for Cleveland's economic development. During his career he has held a wide variety of positions ranging from executive assistant to former Cleveland Mayor Voinovich, director of retail real estate for the Richard E. Jacobs Group, to executive vice president of the Downtown Cleveland Partnership.

Mr. LeBarron graduated from Chagrin Falls High School in 1973. In 1977 he graduated from Boston University. He then continued his education earning a law degree in 1981 and then a master's degree in 1982 in business administration from Case Western Reserve University.

During his time in the Voinovich mayoral administration, he held the positions of assistant safety director and chief assistant law director, between 1981 and 1990. Mr. LeBarron then took a job with what was then Jacobs, Visconi, & Jacobs Co. During his time with this development firm, he worked on the development of major real estate projects such as South Park Center and Chagrin Highlands. After he left Jacobs, Visconi, & Jacobs Co., he joined with the Downtown Cleveland Partnership, a non-profit organization focused on downtown real estate development plans.

All of the hard work and dedication that Mr. LeBarron has displayed during his career is exemplary. He was an extraordinarily bright and an incredibly genuine person.

Mr. Speaker, please rise today and join me in applauding an individual who has made numerous contributions to the Cleveland area, Mr. Jeffrey LeBarron.

A SPECIAL TRIBUTE TO PHYLLIS AND ELMER WELLMAN ON THE OCCASION OF THEIR 50TH WEDDING ANNIVERSARY
HON. PAUL E. GILLMOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. GILLMOR. Mr. Speaker, it is with great pride that I rise today to congratulate Phyllis and Elmer Wellman, of Delphos, Ohio, on the recent celebration of their golden wedding anniversary.

Elmer J. Wellman married Phyllis A. Davis on July 16, 1951. After they were wed, the Wellmans settled in Delphos, Ohio. Their first priority throughout their lives have been their three children: Pat, Jim, and Mark, my Chief of Staff. They are also the devoted grandparents of four grandchildren.

Both Elmer and Phyllis were raised in farming families during the Great Depression. That common experience gave both of them an appreciation for the truly important things in life. They have also distinguished themselves as accomplished professionals and have generously contributed to their community.

Elmer recently retired from farming. He has also been active in civic positions including the Van Wert County Hospital Board, the former Peoples National Bank of Delphos, the Delphos Country Club and is a retired high school basketball referee.

Phyllis recently retired from her third career. After raising her three children, Phyllis returned to the profession of teaching. Her patient, yet demanding teaching style helped...
prepare countless students for the working world. She retired from teaching in 1978, only to serve in the administrative office of Wellman Seeds, Inc. until her retirement last year.

Mr. Speaker, the institution of marriage provides the strength that holds our communities together. Maintaining a marriage requires sacrifice, understanding, patience, and sometimes forgiveness by both husband and wife. Marking the fiftieth anniversary of a marriage is a very special occasion for not only the couple, but also for the family, friends, and community they have touched.

It has been my privilege to know Phyllis and Elmer Wellman for more than twenty years. I ask my colleagues to join me in extending to them our very best on their golden anniversary and to wish them many more years of happiness together.

TRIBUTE TO JENNETTA HARRIS

HON. GARY G. MILLER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. GARY G. MILLER of California. Mr. Speaker, I rise to pay tribute and honor the accomplishments of Jennetta Harris, of Alta Loma, California.

Ms. Harris has been employed by Southern California Edison for twenty-eight years. In her role as Public Affairs Region manager, she has provided support to many organizations and the community at large. Ms. Harris has received numerous, well-deserved honors for her legendary giving of time and self to professional, civic and youth organizations. She was recently honored by the American Red Cross for her outstanding leadership as chair of the Pomona Valley Chapter.

Past awards and honors include: NAACP Legal Defense Fund Black Woman of Achievement; Los Angeles African American Women’s Political Action Committee; Mary Church Terrell Award; 1999 AOH Woman; Pitzer College Learning Center Achievement Award; YMCA Leadership Award; Inland Valley News Publisher’s Celebration of Excellence Award; American Woman Business Association Community Service Award; Boys and Girls Club of Tuck McGuire Award and San Gabriel Valley Branch NAACP Black Women of Achievement Award.

Ms. Harris serves as a minister, Sunday School Teacher and editor for her parish, Greater Bethel Apostolic Community Church in Riverside, California. She enjoys spending time with her children, Elijah and Jennell, writing poetry and traveling.

Ms. Harris’ impressive record of community service has earned the admiration and respect of those who have had the privilege of working with her. I would like to congratulate her on these accomplishments and thank her for the service she has provided to her community.

EXTENSIONS OF REMARKS

IN HONOR OF ST. THEODOSIUS ORTHODOX CATHEDRAL

HON. DENNIS J. KUCINICH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. KUCINICH. Mr. Speaker, I rise today to honor the anniversary of the construction of the St. Theodosius Orthodox Cathedral. This architectural wonder has housed this faithful congregation for ninety years.

In addition to celebrating their anniversary, the Cathedral community has been engaged in a comprehensive restoration and improvement project. The beautiful Neo-Byzantine murals are being cleaned and restored. In addition, new gold leaf gilding, marble floor, and carpet are being installed and an entry-way will be constructed that will be compliant with the Americans with Disabilities Act.

Over 500 individuals call St. Theodosius their spiritual home. The church community traces its history back to its founding in 1896 as the first Orthodox Community in Cleveland. Since then, this historic church has served the Tremont neighborhood and the rest of the Cleveland community in countless ways. Recently, it has been active in helping the needy by providing a Food Pantry every month along with hot lunches and holiday meals.

I ask my colleagues to join me in honoring this congregation and their architectural marvel. May they serve their community faithfully for another ninety years and beyond.

HONORING THE 30TH ANNIVERSARY OF THE OPEN DOOR COMMUNITY HEALTH CENTERS

HON. MIKE THOMPSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. THOMPSON of California. Mr. Speaker, I rise today to recognize the 30th Anniversary of the Open Door Community Health Centers. Open Door began in 1971 as a volunteer clinic providing health, legal and other social services. Their mission has always been to provide high quality, affordable health care to all without regard for financial, geographical, or social barriers.

In its thirty-year tenure, Open Door has grown tremendously, presently operating eight community health centers in Humboldt and Del Norte counties. Open Door provides quality care to 32,000 patients a year and employs 250 people. The Mobile Health program serves over thirty school and community sites, bringing care to remote areas that would otherwise remain underserved.

In addition to providing two million dollars a year in free or reduced-fee services, Open Door has acted as an incubator for many new programs that have since become key service agencies for our community. Open Door has been instrumental in identifying the health needs of rural communities and in bringing them to the attention of state and federal legislators.

The committed staff of the Open Door Community Health Centers strives daily to provide the utmost in quality care for our community. Mr. Speaker, it is appropriate at this time that we recognize and honor their dedication on this 30th Anniversary of the Open Door Community Health Centers.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 2002

SPEECH OF

HON. JERRY MORAN
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 18, 2001

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2500) making appropriations for the Departments of Commerce, Justice and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002, and for other purposes:

Mr. MORAN of Kansas. Mr. Chairman, I rise today to speak in favor of the Small Business Administration 7a Loan program.

Currently, 40% of all long term business loans of $1 million or less through private sector lenders have SBA involvement. Because of inadequate federal resources, SBA has had to rely on increased user fees. This results in higher costs and many lenders quit providing SBA loans because they are not profitable. This often means that small businesses are denied long term credit.

Over the last eight years, over 5,500 small business loans were made in the state of Kansas. If SBA had not been available to finance these loans, most would have not been made. Small businesses are vital to the small communities in my district. Without the availability of these long term loans, many small businesses would never get off the ground. If SBA must continue to rely on user fees to fund SBA, the future of small businesses will be jeopardized.

I urge my colleagues to support increasing SBA funding under the Commerce, Justice, State Appropriation bill.

H.R. 2562, THE MINORITY EMERGENCY PREPAREDNESS ACT OF 2001

HON. SANFORD D. BISHOP, JR.
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 19, 2001

Mr. BISHOP. Mr. Speaker, today I am introducing a bill that will help minorities better prepare for tornadoes, floods, and other disasters, thereby raising the level of protection for segments of the population hit the hardest. This bill is entitled the “Minority Emergency Preparedness Act of 2001” and already has 25 original co-sponsors. I feel this initial response is a testament to the importance and value of this legislation.

This bill will establish a research program to assess the impact of man-made and natural disasters on minority populations, especially
low income, underserved populations in rural communities and densely-populated urban areas. This information can then be used to help prepare for disasters such as tornadoes, floods, earthquakes, hurricanes, fires, and storms involving heavy rains, high winds and ice and snow, and thus lessen their impact.

According to the Federal Emergency Management Administration (FEMA), minorities are impacted by emergencies two and a half times more than others in the country, and this is unacceptable. We must do more to help those who need it, so that they will not be impacted as much at times of disaster.

It is my hope that all people in high risk circumstances will benefit from this program, which will document and make available information about the dangers that are present in different locations as well as provide practical guidance on how to protect against disasters.

I ask my colleagues to join with me in supporting this legislation, and lessen the harsh effects that disasters have on our communities in the states and regions most impacted by them.

PAYING TRIBUTE TO JENNIE TERPSTRA

HON. MIKE ROGERS
OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 19, 2001

Mr. ROGERS of Michigan. Mr. Speaker, I rise today to extend my sincerest congratulations to Jennie Terpstra in honor of her 100th birthday. Ms. Terpstra was born on July 23, 1901 in Eastmanville, Michigan and has spent most of her life on a farm in Lamont, Michigan. It was on the farm where she acquired a love for flowers, gardening, and reading.

On June 21, 1923, at the age of 21, Jennie was married to George Terpstra at Tallmadge Church. George was her elder by one year and one day. Later in life, Ms. Terpstra found her spiritual home at the Lamont Christian Reformed Church.

To date, Ms. Terpstra has five children, nineteen grandchildren, over forty great-grandchildren, and six great-great grandchildren.

Therefore Mr. Speaker, I ask my colleagues to join me in congratulating Ms. Jennie Terpstra for turning 100 years young. Eric Butterworth once said “Don’t go through life, grow through life;” Ms. Terpstra certainly has.

CONSTITUTIONAL AMENDMENT
AUTHORIZING CONGRESS TO
PROHIBIT PHYSICAL DESECRA-
TION OF THE FLAG OF THE
UNITED STATES

SPEECH OF

HON. TODD RUSSELL PLATTS
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 17, 2001

Mr. PLATTS. Mr. Speaker, on behalf of my constituents and my late father, Dutch Platts, an army veteran who felt very strongly about protecting the American flag from desecration, I rise in support of this proposal.

House Joint Resolution 36 is important for many reasons. The American flag is of great importance not only to the men and women of the United States of America but also to the citizens of the world. Every time we raise or lower the many flags flown all over the world, we have given thanks and shown appreciation not only to the veterans who fought and gave their lives to ensure the freedoms we know today, but to the many citizens who work daily to preserve those freedoms. Desecration of this commanding symbol, whether it is by burning, tearing or other mutilation, undermines the powerful sense of patriotism Americans feel whenever they see the red, white and blue. To many, desecrating the American flag not only destroys a cloth, it also destroys the memories and devotion thousands of veterans and others carry with them throughout their daily lives.

In this day of world conflict, we must remember that the Stars and Stripes has been a force that holds communities together. I agree with the gentleman from California, Mr. Cunningham, that, “The American flag is a national treasure. It is the ultimate symbol of freedom, equal opportunity and religious tolerance. Amending our Constitution to protect the flag is a necessity.”

In looking to whether our Founding Fathers intended the First Amendment right to freedom of speech to include burning of the American flag, I look to how our Founding Fathers treated the flag: When the Founding Fathers would go into battle, one soldier would carry the flag. If that individual fell in battle, another soldier would give up his weapon to pick up the flag. Those actions tell us pretty clearly how much our Founding Fathers respected and were willing to sacrifice themselves for the flag and how they did not intend the First Amendment right to freedom of speech to include desecration of the American Flag.

I am hopeful that this bill will pass with broad bipartisan support.