

SENATE—Friday, March 23, 2001

The Senate met at 8:45 a.m. and was called to order by the Honorable CRAIG THOMAS, a Senator from the State of Wyoming.

PRAYER

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

Almighty God, on this twenty-third day of March, we gratefully remember that it was on this day in 1775 that Patrick Henry delivered his famous, "give me liberty or give me death" speech. Thank You for patriots like Henry who not only fought for political freedom but also for religious freedom for all people. We are deeply moved by what Patrick Henry championed in Article 16 of the Virginia Bill of Rights: that ". . . all men are equally entitled to the free exercise of religion and to practice . . . forbearance, love, and charity towards each other."

Father, may the many different ways we worship You result in righteousness in our character and in our leadership. May Your righteousness make us right with You, keep us right with each other, and distinguish our Nation for righteousness. Help us face and solve any problems in our society that deny people their freedom. So help us, Almighty God, for we do believe that righteousness exalts a Nation! Amen.

PLEDGE OF ALLEGIANCE

The Honorable CHRIS DODD, a Senator from the State of Connecticut, 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 to the Senate from the President pro tempore (Mr. THURMOND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, March 23, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable CRAIG THOMAS, a Senator from the State of Wyoming, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. THOMAS thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Acting Majority Leader is recognized.

SCHEDULE

Mr. MCCONNELL. Mr. President, today the Senate will immediately resume the consideration of the Helms campaign finance reform legislation with up to 15 minutes of debate with a vote to occur at approximately 9 a.m.

Additional amendments will be offered throughout the day.

Senators who have amendments are encouraged to come to the floor during today's session to ensure consideration of their amendment.

As a reminder, the Senate will consider the Hollings joint resolution regarding a constitutional amendment on Monday. A vote on that joint resolution will occur beginning at 6 p.m. Additional votes may occur Monday evening as well.

BIPARTISAN CAMPAIGN REFORM ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now resume consideration of S. 27, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 27) to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

Pending:

Specter amendment No. 140, to provide findings regarding the current state of campaign finance laws and to clarify the definition of electioneering communication.

Helms amendment No. 141, to require labor organizations to provide notice to members concerning their rights with respect to the expenditure of funds for activities unrelated to collective bargaining.

AMENDMENT NO. 141, AS MODIFIED

Mr. MCCONNELL. Mr. President, Senator HELMS desires to modify his amendment. I send that modification to the desk.

The ACTING PRESIDENT pro tempore. The amendment is so modified.

The amendment (No. 141), as modified, is as follows:

At the appropriate place, insert the following:

SEC. . DISCLOSURE OF EXPENDITURES BY LABOR ORGANIZATIONS.

Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended by adding at the end the following:

"(i) NOTICE TO MEMBERS AND EMPLOYEES.— A labor organization shall, on an annual basis, provide (by mail) to each employee who, during the year involved, pays dues, initiation fees, assessments, or other payments as a condition of membership in the labor organization or as a condition of employment (as provided for in subsection (a)(3)), a notice that includes the following statement: 'The United States Supreme Court has ruled that labor organizations cannot force fees-paying non-members to pay for activities that are unrelated to collective bargaining contract administration and grievance adjustment. You have the right to resign from the labor organization and, after such resignation, to pay reduced dues or fees in accordance with the decision of the Supreme Court.'"

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will begin consideration of the Helms amendment, and there are 16 minutes of debate to be equally divided in the usual form.

Who yields time?

Mr. MCCONNELL. Mr. President, Senator HELMS is not able to be here at this moment.

With regard to labor unions in America, let me say, on behalf of his amendment, we have had amendments that would guarantee that union members had an opportunity to consent to their money being used on causes to which they might object. That was voted down. We have had amendments on disclosure so that union members and the public could learn how union money is being spent. That has been voted down.

Senator HELMS is now offering a very basic right to members, and that is notification. He hopes that if consent is a poison pill, and disclosure is a poison pill, maybe notification will not be. That is at the heart of the Helms amendment.

I certainly would urge all Members to support this very important amendment that provides basic fairness to members of organized labor.

Mr. President, I yield the floor.

Mr. DODD. Mr. President, will the Chair notify me when I have used 3 minutes?

The ACTING PRESIDENT pro tempore. The Chair will do so.

Mr. DODD. Mr. President, I obviously did not object to the Member's desire to modify the amendment. That is the courtesy we extend to each other in the Senate. I point out that this amendment was poorly drafted. There were actual misstatements of current law included in the amendment.

The modified amendment requires there be written notice. With all due respect to my friend from North Carolina, to begin with, this is an unnecessary amendment. Secondly, it is a type

of union bashing again. This is the same process we have been through. Yesterday we voted 99-0 on Senator NICKLES' amendment to strike the Beck language from this bill. We believed that the Senate should not be legislating like this on a decision the Supreme Court has left to the NLRB to interpret and decide.

Under the Beck holding, there is a requirement of notice. This amendment attempts to specify the content of the notice, the means on a portion of the notice required under that decision. The courts have said that it is the purview of the National Labor Relations Board, through case law, to spell out what constitutes that notice.

With the amendment we adopted yesterday 99-0, we said: Look, even though we have different opinions about what Beck holds, we should not try to include Beck in the McCain-Feingold campaign finance reform bill itself. Congress should defer to the NLRB with respect to Beck. Now, here we go again. We are going right back, almost with the next amendment, saying we are going to take portions of the Beck decision and tell you what Beck means. That, it seems to me, contradicts the exact vote we cast yesterday. I am somewhat surprised about this because I thought maybe we were going to put these amendments aside, particularly after having gone through any number of amendments that were designed to attack organized labor and unions and their involvement.

But with that said, I must note that there are other political rights that union members have. I do not hear my colleagues suggesting that those rights ought to be enumerated and notice given about them. For example, you have a right to join with other union members to register members, their families, or other employees. Why not send written notice of that right to union members?

You have the right to join with other union members and encourage and assist other members to vote. That is a right. Why not include written notice of that?

There is a long list of rights that union members have that could be included. You have a right, on your own nonworking time, to volunteer to assist other candidates. I could go down a long list of union member's political rights that we do not require under law that there be a written notice. As a result, this amendment is targeted and pointed in a way that is unfair.

Under Federal law, you have the right to organize a union in your workplace, to join a union. Under Federal law, you cannot be disciplined, discharged, or suffer any adverse action by an employer to join or assist a union.

The ACTING PRESIDENT pro tempore. The Senator has used 3 minutes.

Mr. DODD. Mr. President, I ask for 1 additional minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DODD. Under Federal law, you have the right to join or assist a union. Under Federal law, you have a protected right, together with any other employees, to present any views, requests, or demands to your employer about wages, benefits, and the like. Why not require that these be given written notice?

My point is this—this amendment is adversely selective in its approach. It is picking out one part of the Beck decision, and saying to the NLRB: You have no right to decide in this area. Congress is going to specifically tell the NLRB how to do it. As I said, yesterday we voted 99-0 to strike the Beck language from this bill. We are coming right back in again today and asking this body to re-inject itself into the Beck decision.

The Beck decision requires notice. The NLRB already has rich case law on what constitutes notice and how to make sure members receive legally sufficient notice. For us to specify, as the Helms amendment does, would be a return to exactly what we are trying to avoid by the vote we cast yesterday.

For those reasons, I urge rejection of this amendment.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky.

Mr. MCCONNELL. Obviously, unions have every incentive to inform workers of their right to organize and their rights to get them to join unions. That is to their advantage. They do not have an incentive to notify members of their opportunity to get their own money back. That is precisely what the Helms amendment is about: to require notification to individual union members of their rights to receive a refund.

It seems to me it is quite simple. It looks to me as if the opponents of this amendment think it is perfectly all right for unions to notify employees about the opportunities to organize but not the opportunities to receive any refunds they are due under Federal law.

So it is quite simple. I certainly urge adoption of the Helms amendment.

I yield the floor.

Mr. DODD. Mr. President, I yield 2 minutes to my friend from Wisconsin.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I will vote against this amendment. I, too, thought we had finished with the antilabor amendments yesterday when we agreed to remove the codification of the Beck provision from the bill. The debate on this campaign finance reform bill is not the proper forum to address labor law issues.

I think these kinds of amendments have, at this point, become distractions. Sooner or later, those who op-

pose this bill are going to have to quit trying to change the subject and face up to the real issue, the corrupt soft money system that they have defended by standing in the way of reform.

Sooner or later, we are going to get to the point where people realize a majority of this body wants to pass this reform, a majority of the House wants this reform, and most importantly, the American people want this reform.

This amendment requires a notice to be posted in every workplace telling union members that they have a right to quit their union. That is not balanced and is not evenhanded. So what is next? I guess we should require all companies to send a notice to their shareholders letting each and every one of them know they have a right to sell their shares if they do not like the political spending of the corporations. That is the logical implication of this.

I think it is fitting that our last vote of this week will be to table this amendment. If we learned nothing else this week—actually, I think we have learned a lot, but if we learned nothing else, we now know for sure the Senate is not going to add antiunion amendments to this bill. And it is not going to do that not because it wants to protect labor but because it wants to protect reform.

I thank my colleagues, especially on the Republican side of the aisle where the pressure to take a shot at labor is intense, for standing firm against these distracting and irrelevant amendments and moving us ever closer to passing the McCain-Feingold bill.

Mr. MCCONNELL. Mr. President, here is an example of the need to ensure union members know of their rights. In 1959, Congress enacted the Labor Management Reporting and Disclosure Act, LMRDA, to "protect the rights and interests of union members against abuses by unions and their officials." The act gave union members various substantive rights that were considered so crucial to ensuring that unions were "democratically governed and responsive to the will of their membership" that they were labeled the "Bill of Rights of Members of Labor Organizations."

Of course, Congress realized that the protections provided in the Bill of Rights of Members of Labor Organizations were meaningless if union members did not know of their existence. Therefore, in section 105 of the LMRDA, Congress mandated that "[e]very labor organization shall inform its members concerning the provisions of this chapter."

Unfortunately, as demonstrated by the United States Fourth Circuit Court of Appeals' recent decision in *Thomas versus The Grand Lodge of the International Association of Machinists, No. 99-1621* (January 27, 2000), labor unions have frustrated the will of Congress for over 40 years and sought to prevent

their members from learning of the rights Congress gave them. Unions have done this by simply disregarding Congress' direct command to notify "[e]very labor organization shall inform its members concerning the Bill of Rights of Members of Labor Organizations in the LMRDA.

Unions take the meritless position, the Machinists Union asserted in the Thomas, that their one-time publication of the Bill of Rights of Members of Labor Organizations in the LMRDA to their membership in 1959 satisfied their obligation under section 105.

The Court of Appeals rejected this argument, as any sane person would, because it ran "counter to the clear text of [section 105]", which, according to the Court clearly states Congress' intent "that each individual [union member] soon after obtaining membership be informed about the provisions of the [Bill of Rights of Members of Labor Organizations.]" Unions have been flouting the law in this manner since 1959, so there is a need to not only ensure that workers know their rights, but real need to make unions obey laws that have been on the books since 1959 that require them to provide certain notices to workers. Does my colleague support unions disregarding their obligations under the LMRDA?

Mr. President, I repeat, if this amendment is voted down, it is further evidence during this debate that no amendments will be adopted that in any way adversely impact organized labor. All of those amendments have been described as a poison pill. It is pretty clear, as we move along, that anything that provides any kind of discomfort for the largest special interest in America will not be included in this bill.

Mr. President, I yield the floor.

Mr. DODD. I yield 30 seconds to the Senator from Michigan.

The ACTING PRESIDENT pro tempore. The Senator from Michigan.

Mr. LEVIN. I thank my friend from Connecticut.

Mr. President, yesterday we decided we were going to leave the Beck interpretation and implementation to the courts. That is exactly where that is right now. This whole issue of what is related to collective bargaining is being litigated now in the courts. This amendment goes in the opposite direction.

In the Nickles amendment yesterday, we said, let's be silent on the definitions that are involved in Beck. This now puts in a partial definition, as the Senator from Connecticut pointed out, in only parts which are aimed at reducing participation and free association. That is not what we should be doing. We should keep our eye on eliminating the soft money.

Mr. DODD. I yield 30 seconds to the Senator from Arizona.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. McCAIN. Mr. President, I point out, I did have a meeting with the leader of the AFL-CIO in which he expressed his dissatisfaction with several portions of this legislation.

I believe it should also be reiterated that taking out the Beck language was something that was agreed to on both sides.

Mr. President, I am going to make a motion to table this amendment at the appropriate time.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Connecticut has 30 seconds. The Senator from Kentucky has 5 minutes.

Mr. McCONNELL. I yield back our time.

Mr. DODD. I yield back our time.

Mr. McCAIN. Mr. President, I move to table the amendment and ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There appears to be a sufficient second.

The question is on agreeing to the motion to table the Helms amendment No. 141, as modified.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from California (Mrs. BOXER), the Senator from Delaware (Mr. CARPER), the Senator from Illinois (Mr. DURBIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Georgia (Mr. MILLER), and the Senator from Washington (Mrs. MURRAY) are necessarily absent.

I further announce that, if present and voting, the Senator from California (Mrs. BOXER) would vote "aye."

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 40, as follows:

[Rollcall Vote No. 46 Leg.]

YEAS—53

Akaka	DeWine	Lincoln
Baucus	Dodd	McCain
Bayh	Dorgan	Mikulski
Biden	Edwards	Nelson (FL)
Bingaman	Feingold	Nelson (NE)
Breaux	Feinstein	Reed
Byrd	Fitzgerald	Reid
Cantwell	Graham	Rockefeller
Carnahan	Harkin	Sarbanes
Chafee	Hollings	Schumer
Cleland	Inouye	Smith (OR)
Clinton	Jeffords	Snowe
Cochran	Johnson	Specter
Collins	Kerry	Stabenow
Conrad	Kohl	Torrice
Corzine	Leahy	Torrice
Daschle	Levin	Wellstone
Dayton	Lieberman	Wyden

NAYS—40

Allard	Craig	Gregg
Allen	Crapo	Hagel
Bennett	Domenici	Hatch
Bond	Ensign	Helms
Brownback	Enzi	Hutchinson
Bunning	Frist	Hutchison
Burns	Gramm	Inhofe
Campbell	Grassley	Kyl

Lott	Santorum	Thompson
Lugar	Sessions	Thurmond
McConnell	Shelby	Voinovich
Murkowski	Smith (NH)	Warner
Nickles	Stevens	
Roberts	Thomas	

NOT VOTING—7

Boxer	Kennedy	Murray
Carper	Landrieu	
Durbin	Miller	

The motion was agreed to.

Mr. SCHUMER. I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. LOTT. Mr. President, we have agreed that this was the last vote of the day. If I may have the attention of the managers, I believe there is an understanding that we will do a couple more amendments today.

Mr. McCONNELL. Will the Senator yield?

Mr. LOTT. I yield to Senator McCONNELL.

Mr. McCONNELL. I believe on this side we have an amendment from Senator HUTCHISON of Texas and Senator FITZGERALD of Illinois to be laid down this morning and dealt with Monday, and I believe one on the Democratic side as well.

Mr. DODD. If the Senator will yield, we are hopeful Senator WELLSTONE will have an amendment. I do not think he will offer it today but maybe first thing on Monday about noon. It should not take much time. We can have that and then go to the Hollings proposal at 2 o'clock, I believe, on which we will have 4 hours; is that correct?

Mr. LOTT. Under the agreement, I believe it is actually five, but we have worked out that we will shorten that time and it will only be 4 hours.

Mr. DODD. With the debates ahead of time and some votes ready, we should have business to do when Members come back on Monday.

Mr. LOTT. I remind all the Senators that we can expect one or two, maybe even more votes, as many as four around 6 o'clock on Monday. As always, Senator DASCHLE and I will try to accommodate as many Senators as is possible, but we have to make some progress on this legislation. We are trying to accommodate everybody by having debate and then stacking those votes on Monday. As my colleagues know, we have not been stacking votes, but we need to do that in order to make progress and have those votes late Monday afternoon.

Also, while we have had a free-flowing debate and vote on amendments and some people like the way this is progressing, at some point we need to identify how many amendments are out there, how many are pending. I understand Senators are now coming up with some new ideas for amendments they may want to offer.

The whole idea has been from the beginning that while we will have full debate and amendments offered, at some point next week—hopefully by Thursday night—we will get to a conclusion of this consideration. We cannot do that if we do not know what amendments are out there and if we do not begin to make more progress in terms of the amount of time we spend on amendments. We do not have to spend the full 3 hours or 4 hours on amendments. If my colleagues need to, fine, but I hope the managers of the legislation and those who have been working on it—Senator MCCAIN, Senator FEINGOLD, Senator MCCONNELL, and Senator DODD—will receive the cooperation of Senators so we will know what we can expect next week. If you look at the stacked votes on Monday and look at the next 3 days—we have been doing two or three amendments a day, perhaps as many as three now—that would mean we could only do nine or ten more amendments. I hope Members will think in those terms to get to a point where we get a fair conclusion.

Mr. MCCAIN. Will the majority leader yield?

Mr. LOTT. I am happy to yield.

Mr. MCCAIN. I thank the majority leader. I understand the necessity, because of the weekend, that there may be two or three stacked votes on Monday. But the original agreement was we wouldn't stack any votes. So it will be my intention to object for the rest of the week after these stacked votes. These are too critical to wait over the weekend and let them sit out there to then have everybody come running in to vote on them.

I thank Senators DODD and MCCONNELL. We have had an excellent debate and a ventilation of this issue which has been educational not only to Members but to the country.

I also emphasize we need to get this done. I understand the urgency of moving to the budget the week after next, but we need to get this issue completed. I hope all Members understand that. We are committed to staying on this until we get a final vote either up or down on the bill.

I thank the majority leader for all his help. This has been a debate that I can personally say I have enjoyed and I think other Members have as well.

Mr. LOTT. Mr. President, it is obvious we are probably going to have to go late Tuesday, Wednesday, and Thursday night to get this accomplished. We have difficulty when we have Senators say: I have an amendment, but I don't want to offer it Thursday night or Friday or Monday, but I am available Tuesday—as is everybody else. I hope Senators, if they are serious, will take advantage of prime time on Friday morning or Monday night at 8 o'clock, which is, I believe, about 5 o'clock in California. It would be a very good time to offer a serious amendment.

I yield to Senator DASCHLE.

Mr. DASCHLE. At times in the past when we have had debates of this kind—and this has been a very productive and good debate this week—we have sought unanimous consent for a finite list, and it would be something we might want to contemplate doing maybe no later than Monday evening so we can work down a list and try to find ways in which to manage the remaining amendments.

Most Members on this side would be prepared to work with the leadership to find a way to do that. That may be something we want to contemplate doing over the weekend.

Mr. LOTT. Mr. President, I know the managers are trying to identify those amendments. I talked to Senator MCCAIN and Senator MCCONNELL about getting that list identified clearly by Tuesday; certainly to get that done it would have to be in on Monday.

We do have pending before the country the need for action on our budget for the year, on tax relief that could be beneficial to all Americans and the economy. We have the education legislation reported out of the Health Committee ready to go as soon as we come back from the Easter recess, and we have an energy problem in this country that needs some attention, too. We have a lot of very serious work we need to do on behalf of the American people.

I hope we can complete this bill by the end of next week, and I expect that to be the case.

Mr. MCCONNELL. Will the Senator yield?

Mr. LOTT. I yield to the Senator.

Mr. MCCONNELL. I say to the distinguished majority leader, it shouldn't be a problem coming up with a list of amendments by sometime Monday.

I think it was George Orwell in the novel "Animal Farm," who said all pigs were equal but some pigs were more equal than others. All amendments are equal, but I think we have a sense of the really important amendments and those will be dealt with in the early part of the week. I think we will have a clearer sense of where we are.

I also want to agree with Senator MCCAIN. This has been a superb debate, enlightening for all the Members. A lot of Members, and hopefully members of the press, have learned a little bit more about a very complex issue which we have had out here in a freewheeling fashion for the last week. We understand the need to get to a conclusion and will work toward that on Monday.

Mr. DODD. Will the Senator yield?

Mr. LOTT. I yield.

Mr. DODD. I think there has literally only been half an hour or an hour of quorum calls all week. The Members have engaged in the debate. This is like the preparation of bacon and eggs. The Members are deeply committed to this issue in some ways, and we are spending the time on it.

I hope next week we can complete this. We have had wonderful debate and good amendments, by the way. We have improved this bill. I think both Senator MCCAIN and Senator FEINGOLD would agree there have been improvements to the legislation as a result of the amendment process.

I know the other issues are tremendously important and all of us care about them. This issue goes to the heart of all of those questions, as well. This will be an important debate.

I thank my colleague from Kentucky and the Members who have been on the floor during the week. They have contributed to the debate substantially.

Mr. LOTT. I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

Mr. BYRD. I thank the Presiding Officer. I wanted to ask the distinguished majority leader if I might make some comments, few in number, with respect to the subject of the forthcoming action on the budget that had been mentioned. My leader on the Budget Committee is not here at the moment but I simply want to say on behalf of myself and other Members of the Budget Committee, particularly those on my side, we do really need to have a good debate on the budget.

I will probably have a few additional comments later today, but for now let me just remind the Senate that according to reports, the Budget Committee will not report out a budget resolution. This will be the first time, I am told, in the history of this Budget Act that the Senate will not have the benefit of a markup in the Budget Committee. I am not saying at this point to criticize anybody, but this is something new. I am a new member of the Budget Committee so I am learning some things as we go along.

I do have to make that point. The people of this country are going to be denied, as Senators will be denied, the opportunity to listen to and to engage in debate in the Budget Committee, with amendments being offered and acted upon in that committee before a budget resolution is sent to the floor. It probably won't be reported from committee, a resolution, but according to the law, it is due to be reported by April 1, April 1 being a Sunday, and we understand it is due to be reported, due to be put on the calendar without debate, without amendments in the committee, by April 2.

Now, the second wrinkle in this horn is the Senate has not yet received the budget from the administration. We have received kind of a blue outline which, like the apostle Paul said, enables us to see through a glass darkly. We don't have a budget. That is not something that is unheard of, as I will say later today, and which was also emphasized yesterday by the distinguished Senator from New Mexico, Mr. DOMENICI, the very able chairman of the Budget Committee.

I do have a few things, after I read the RECORD, that I want to say in that regard. I only want to say, Mr. Leader, whatever we can do to help the Senate to be able to examine this budget resolution when it is called up, have ample time to do it, and I want us to be able to act with some idea of what the administration is going to have in its budget.

We had earlier understood that the budget would be up here on April 3. Now we are told it will be up here on April 9 which is, I believe, the first Monday or Tuesday in the recess. So we will get the budget in the recess. But by then, according to the schedule that we understand will be followed, the budget resolution will be called up in the Senate and acted upon.

I will make a few additional remarks on this subject after I read the RECORD because my distinguished and beloved friend, PETE DOMENICI, chairman of the Budget Committee, made some comments yesterday, and I have no fault with that at all, but I do want to read those comments.

Please understand we are being confronted very soon with a matter which is going to be very controversial, thorny, and heatedly debated at times, which is all right. But the Senate needs to be put on notice. The people need to be put on notice that this is coming. Coming events cast their shadows before them.

This is an event that is casting its shadow. Unfortunately, we are not going to have an opportunity in the Budget Committee to make our wishes known.

The distinguished Senator from Michigan is on the floor. She is on that committee—a very able new member. I am a new member—not so able, but a new member. But she is a very able new member and she will join with me in calling attention to this. Not much is being said about this right now, but it is out there, it is coming, and it is probably the most important subject that this Senate will discuss this year. It involves a huge tax cut.

I was glad to see in the newspaper this morning that the distinguished chairman of the Budget Committee, Mr. DOMENICI, is thinking of having—I don't know how accurate this is, how accurate the story is, but he is thinking in terms of having a rebate, which I think might be a very good approach. But he is also thinking of still having a 10-year approach. I haven't heard him say that. We will certainly be listening with great interest to what he has to say on this point.

I thank both leaders for allowing me to take these few minutes because I don't think the time has been ill spent by my calling to the attention what lies ahead.

In closing, let me thank Mr. MCCAIN for his objections to stacked votes. That may be a thing we ought to do,

not just with reference to this particular bill that is before the Senate, but we perhaps ought to object to stacked votes. I know how it would inconvenience Senators, but the people did not send me to this Senate for my convenience. I am here to serve them. And it is not in the best interests of the people that we stack votes, and for the very reasons that Mr. MCCAIN said.

Mr. President, I yield the floor.
The ACTING PRESIDENT pro tempore. The Senator from Michigan.

Ms. STABENOW. Mr. President, if I might just comment for a moment to support the distinguished Senator's comments. Senator BYRD may be in fact a new member of the Budget Committee. He is certainly a person we look to for wise counsel on important subjects such as the budget. I have learned a tremendous amount from him as a member of the Budget Committee. I would add to his comments. I am, in fact, a new Member of the Senate as well as to the Budget Committee, but I have sat through our 16 hearings, had the opportunity to listen to each Secretary, each area of the budget, listening to the views on the President's budget, and at the end of this process when I assumed as a new member I would have the opportunity to put forward the wishes of the people of Michigan—our values, our priorities in the form of a budget—we were told yesterday we, in fact, would not even debate a budget resolution for the first time since 1974 when the Budget Act was put together.

I share Senator BYRD's tremendous concerns. I cannot imagine anything more fundamental than this body debating the future of the country through the budget. I strongly support and urge that the leadership on the other side decide to allow us to do our job on the Budget Committee and come forward with, hopefully, what would be a bipartisan document that would allow us to proceed and work together to do the country's business.

Mr. BYRD. Mr. President, if the distinguished Senator will yield?

Ms. STABENOW. I am happy to yield to the distinguished Senator.

Mr. BYRD. I just want to compliment the Senator from Michigan for the exemplary service she has rendered on the Budget Committee, and I thank her for her comments today.

I thank the Chair.
The ACTING PRESIDENT pro tempore. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I 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. MCCONNELL. Mr. President, I ask unanimous consent the quorum call be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MCCONNELL. The Senator from Texas has an amendment to offer, and I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Texas.

AMENDMENT NO. 111

Mrs. HUTCHISON. Mr. President, I ask that amendment No. 111 be reported.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON] proposes an amendment numbered 111.

Mrs. HUTCHISON. I ask unanimous consent the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to exempt State and local political committees from duplicative notification and reporting requirements made applicable to political organizations by Public Law 106-230)

On page 37, between lines 14 and 15, insert the following:

SEC. 305. EXEMPTION FOR STATE AND LOCAL POLITICAL COMMITTEES FROM NOTIFICATION AND REPORTING REQUIREMENTS IMPOSED BY PUBLIC LAW 106-230.

(a) EXEMPTION FROM NOTIFICATION REQUIREMENTS.—Paragraph (5) of section 527(i) of the Internal Revenue Code of 1986 (relating to organizations must notify Secretary that they are section 527 organizations) is amended by striking “or” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, or”, and by adding at the end the following new subparagraph:

“(C) which—

“(i) engages in exempt function activity solely in the attempt to influence the selection, nomination, election, or appointment of any individual to any State or local public office or office in a State or local political organization, and

“(ii) is subject to State or local contribution and expenditure reporting requirements relating to selections, nominations, elections, and appointments to such offices, and reports under such requirements are publicly available.”.

(b) EXEMPTION FROM REPORTING REQUIREMENTS.—Paragraph (5) of section 527(j) of such Code (relating to required disclosures of expenditures and contributions) is amended by striking “or” at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting “, or”, and by adding at the end the following new subparagraph:

“(F) to any organization which—

“(i) engages in exempt function activity solely in the attempt to influence the selection, nomination, election, or appointment of any individual to any State or local public office or office in a State or local political organization, and

“(ii) is subject to State or local contribution and expenditure reporting requirements relating to selections, nominations, elections, and appointments to such offices, and reports under such requirements are publicly available.”.

(c) EXEMPTION FROM REQUIREMENTS FOR ANNUAL RETURN BASED ON GROSS RECEIPTS.—

Paragraph (6) of section 6012(a) of such Code is amended by striking "section)" and inserting "section and an organization described in section 527(i)(5)(C)".

(d) EFFECTIVE DATE.—Notwithstanding section 402, the amendments made by this section shall take effect as if included in the amendments made by Public Law 106-230.

Mrs. HUTCHISON. Mr. President, this is a technical amendment to a bill that was passed last year by the Senate to correct a problem, and it has corrected part of a problem, but it has caused a problem for our State and local candidates all over the country.

By way of background, this was a bill that was passed in an effort to close a loophole where some stealth PAC organizations that were making contributions and doing advertising did not have to disclose to whom they were contributing or who was contributing to them. In fact, it is called a 527 organization. Almost all political organizations—party committees, candidate committees—are section 527 organizations.

As a 527, they enjoy Federal tax-exempt status and thus do not pay taxes on contributions. While most 527 organizations also file with the Federal Election Commission because they are engaged in express advocacy activities, there are a few organizations, so-called stealth PACs, that did not have to file with the FEC because they are engaged solely in issue advocacy and not in candidate advocacy. These groups generally have been sham organizations.

So in an attempt to close the loophole so that the groups' donors would have to be disclosed, we passed a law last summer requiring all 527 organizations to file notification of their status with the IRS and to disclose certain expenditures and contributions.

The reason these groups must file with the IRS as opposed to the FEC is the new disclosure requirements are imposed as a condition of their tax-exempt status. Thus, those groups that choose not to file with the IRS could lose their tax-exempt status.

While this law was intended to target stealth PACs, it has had the unintended consequence of imposing burdensome and duplicative reporting requirements on State and local campaign committees that are not involved in Federal election activities. State legislators across the country have been furious about these new requirements because, of course, they are taking in contributions, as a candidate would, and they do not want to have to file with the IRS as well as the FEC and their State and local requirements.

So the amendment I have introduced is an attempt to fix this, what I think is an inequity that was not intended, by simply saying that if a candidate committee, or any committee, is subject to State or local contribution and expenditure reporting requirements relating to selections, nominations, elections, and appointments to such office,

and they report under those requirements, and those reports are public, they would not also have to file with the IRS.

It is a simple amendment. It is a technical correction. I think it will help all of our State and local candidates not to have this burdensome duplication. All of their contributions are reported. Their expenditures are reported. There are State laws governing it.

I know this wasn't intended by Congress when we passed this amendment to section 527 of the Internal Revenue Code.

I hope we can fix this so these State and local candidates will not be subject to losing their ability to run their campaign—hopefully without the burdensome overregulation. Many of them don't even have the capability to hire people to make these kinds of extra disclosures, which are not necessary because they are already public.

The bottom line is if someone already publicly discloses their contributions and their expenditures under a law of the State, they should not be required to also file with the IRS.

That is the summation of the amendment. I wouldn't think there would be an objection to it by either side. I think there wouldn't be an objection by either House of Congress.

I submit for the RECORD a letter from the National Conference of State Legislators, which is a bipartisan organization, asking that this be fixed and stating that it has become an unreasonable burden, one that certainly does not in any way help public disclosure but, in fact, is just a duplication of public disclosure that is already required.

Mr. President, I ask unanimous consent that it be printed in the RECORD.

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

NATIONAL CONFERENCE OF
STATE LEGISLATURES,
March 21, 2001.

Ms. MELISSA MEULLER,
Ways and Means Counsel, Office of Representative Lloyd Doggett, Cannon House Office Building, Washington, DC.

DEAR MELISSA: I wanted to respond to our phone conversation of several weeks ago wherein you asked me to provide you with more information as to how the new Section 527 law (P.L. 106-230) adversely impacts state legislators, paying specific attention to the new tax code requirements.

P.L. 106-230 requires political organizations to provide notice of status to the IRS by July 31, 2000, unless an exception applies. The only exception available to a state legislative campaign is Sec. 527(i)(5)(B) ("reasonably anticipates that it will not have gross receipts of \$25,000 or more for any taxable year"). Given the size of Texas House districts, the cost of running a campaign will almost always be more than \$25,000. Failure to file the notice of status results in a penalty in the form of a tax liability. If the political organization fails to file the notice of status by the due date, the organization must include contributions received after June 30, 2000, in taxable income.

The following represents an example of how the new law plays out in Texas:

A Texas House member heard about P.L. 106-230 in July 2000, but did not file the notice of status because he didn't think it applied to his campaign. In his opinion, he doesn't have an "organization," just family and friends who help out. Political contributions to his campaign are deposited in a non-interest-bearing checking account. He was not able to reach anyone at the IRS who could tell him with certainty whether he was required to obtain an EIN and file the notice of status.

He held a fundraiser in November 2000 and raised \$42,000 in political contributions. In January 2001, he learned that P.L. 106-230 did apply to his situation. He filed the 1120-POL tax return on March 15, 2001. Following the form's instructions, he included \$42,000 in total income and deducted a total of \$2,000. The "penalty" for his failure to file the notice of status is \$14,000! If he had filed the notice of status before the due date, his tax liability would be \$0.

Beginning March 2002, he must file Form 1120-POL if his campaign receives \$25,000 in contributions, even though his campaign has no taxable income. In other words, he is required to file Form 1120-POL with all zeros. He must also file Form 990-EZ, the annual information return. According to the IRS, the estimated average time needed to complete Form 990-EZ is more than 51 hours! That includes recordkeeping, learning about the law and the form, and preparing the form.

Under Ch. 254, Tex. Elec. Code, candidates and officeholders are required to file reports at least semiannually with the Texas Ethics Commission, itemizing contributions, pledges, loans, expenditures, and providing certain other information. The threshold for itemization is \$50. See 254.031, Tex. Elec. Code. Most candidates and officeholders are also required to file these reports electronically.

The purpose of P.L. 106-230 is to ensure full disclosure of political contributions and expenditures. Form 1120-POL does not provide the public with any additional information on contributions and expenditures. Moreover, Form 990-EZ provides only aggregated information. If the public wants detailed information on a Texas House member's contributions and expenditures, the public must still go to the Texas Ethics Commission reports.

I hope you find this information helpful. As I had stated to you in our conversation, the draft legislation proposed by Representative Doggett does not address the concerns of state legislators with P.L. 106-230. I urge you to suggest reworking Representative Doggett's proposed legislation to exempt state legislators from the burdensome and duplicative requirements of P.L. 106-230. Please do not hesitate to contact me if you have any further questions. I may be reached at 202-624-3566, or by e-mail at Susan.Frederick@ncsl.org.

Sincerely,

SUSAN PARNAS FREDERICK,
Committee Director,
NCSL Law and Justice.

Mrs. HUTCHISON. Mr. President, I made the argument. I hope the amendment will be accepted. I understand we will need to clear it through the Finance Committee and make sure they are also not opposed to it.

But I believe if anyone looks at the technical nature of this amendment,

they will support it. It would take a terrible burden away from our State legislators and local candidates for mayor or city council.

I certainly hope we can do that in an expedited way.

I yield the floor. I 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.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE BUDGET

Mrs. HUTCHISON. Mr. President, I wanted to speak for a few moments as if in morning business to talk about the budget and what the distinguished Senator from New Mexico is proposing.

I was privileged to be in a briefing to learn what the committee is looking at. It was discussed earlier on the floor that the bill is going to come straight out of committee.

I am pleased that is going to happen because I would like to have just as much say in the budget as would any Member of the Senate. We will have 30 or 50 hours of debate. We will have plenty of time to discuss our priorities. But with this evenly divided Senate, more and more, all of us are going to have the opportunity on the floor to have our input rather than not have it come to the floor and bog down the process.

I am very pleased with what we are hearing. I am very pleased that we are bringing the budget up on an expedited basis because I think we need to move swiftly. Our country is looking at an economic downturn. Many people think it is a recession. I hope it isn't. But, nevertheless, I think action is needed. I think action on behalf of the American people is warranted at this time.

I think setting the budget and determining what our priority expenditures are going to be and looking at giving tax relief to American workers at this time is even more important than it was when we first introduced the idea because many of us believe that having this huge budget surplus sitting in Washington, DC, is certainly not good economic policy and it isn't good fiscal policy.

It is time for us to make sure the money that is sitting in Washington, DC, in excess of what is needed for the running of our Government be put back in the pocketbooks of the people of this country.

I am very pleased we are working on an expedited basis. I am pleased we are going to take up a budget. I am pleased Senator DOMENICI, the leader of the Budget Committee, is pushing right

now, right this minute, for an immediate tax relief plan—something that people will see is going to come. They will know for sure that is going to come, and that it will come, hopefully, on an expedited basis.

I am very proud the Budget Committee is moving forward in this fashion. I am so proud of our leadership. I hope we can work with the other side of the aisle so all of us will have equal input in the 30 to 50 hours of debate that we have on the budget resolution so we can establish our priorities; so we can preserve Medicare; so we can have real Medicare reform to include prescription drugs; so we can have the new added expenditures that we know we are going to need to upgrade the quality of life for those serving in our military; and so we can increase spending on public education to make sure every child has a quality public education, which is the foundation for democracy.

I think we will have those added expenditures and we will have tax relief for the American people.

If we can take up this budget resolution a week from Monday, we will do it on an expedited basis.

I am proud of Senator DOMENICI and the leadership of the Budget Committee. I am proud of our leadership and their working with our President to make sure we have tax relief for hard-working Americans.

Thank you, Mr. President.

I yield the floor.

CAMPAIGN REFORM ACT OF 2001— Continued

AMENDMENT NO. 111

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I rise to discuss this amendment which I am sorry to oppose.

I appreciate the involvement of the Senator from Texas in this issue and on this particular aspect of it because it was the first major breakthrough we were able to make in the area of campaign finance reform requiring full disclosure of 527 activities.

Now that full disclosure has been obtained, we find some fascinating things have gone on in the name of campaign activities, such as buying trucks, giving people very generous salaries, renting office space—very interesting things.

Basically, as I read this amendment, it does not require the State and local political committees to notify and report the requirements imposed in 527.

As I understand the comments of the Senator from Texas, I guess somehow it gives them burdensome paperwork that would be difficult for them to achieve in the case of 527s.

They are making these reports, and all they have to do is make a copy and send it to Washington. So for a 527, it

seems to me, it would not be that hard to use a copying machine. In fact, you might want to even go down to Kinko's and get one there.

But more importantly, this is a reversal of full disclosure. Everybody, no matter which side they are on in this debate, says an integral and vital part of the problem is full disclosure. This is obviously a reversal thereof.

Also, staff informs me that this entire bill would be blue-slipped if this amendment were made part of it because it touches the Tax Code. Changes in the Tax Code originate in the House of Representatives and it would have to come out of the Ways and Means Committee.

So I will be opposing this amendment. I appreciate the involvement of the Senator from Texas. But to exempt people from making a copy of their financial disbursements in their campaign activities and sending it on to Washington, where, if Senator COCHRAN'S amendment is going to be agreed to as part of this bill, it would be posted on the Internet and all would be able to see it, is obviously not something that I would really very much favor. I would want Americans to know all this information.

I yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I respond to the Senator from Arizona by saying, first of all, I hope he will work with me to try to have the purpose of my amendment added to this bill. If there is a specific problem, I would like to work with the Senator because I do not think the amendment we had last year, that affected the 527 organizations, was intended to affect State and local candidates who do not participate, in any way, in Federal elections.

I think it is very clear from the amendment. If it isn't clear, I will certainly try to make it clear in the amendment that it would only apply to a State and local candidate who had reporting requirements and whose reporting requirements were covered under State law. Copying the report and sending it to the IRS is, unfortunately, not what happens when you pass a Federal law that affects State and local candidates.

What happens is, you have a form that the IRS approves, which may not be the same as is required in some States. So it is a burdensome, added requirement. Furthermore, it isn't necessary because nothing that they do is participating in the Federal campaigns.

The second issue is an important one. It is not my purpose to blue-slip the bill or kill the bill. In fact, if the bill were to be blue-slipped, I would withdraw the amendment. I do not think it is subject to being blue-slipped.

In fact, the original amendment last year was offered to the Defense authorization bill. It was brought up at the