

hosted. And while not every one of the thousands of breakfasts has resulted in headlines the following day, one thing is certain: Budge has his finger on the pulse of who and what are making news in Washington.

At the beginning of each and every Sperling Breakfast, Budge begins by announcing. "The only ground rule here is that we're on the record." With that one rule in mind, I am pleased to stand here today and state in the RECORD my congratulations and appreciation to Godfrey "Budge" Sperling for all he has done to help inform the American people about their government.●

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. HELMS for the Committee on Foreign Relations.

Marc Isaiah Grossman, of Virginia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be an Under Secretary of State (Political Affairs).

Richard Lee Armitage, of Virginia, to be Deputy Secretary of State.

(The above nominations were reported with the recommendation that they be confirmed subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the 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. LIEBERMAN (for himself and Mr. FEINGOLD):

S. 603. A bill to provide for full voting representation in the Congress for the citizens of the District of Columbia to amend the Internal Revenue Code of 1986 to provide that individuals who are residents of the District of Columbia shall be exempt from Federal income taxation until such full voting representation takes effect, and for other purposes, to the Committee on Finance.

By Mr. COCHRAN (for himself, Mr. KENNEDY, and Mr. WARNER):

S. 604. A bill to amend title III of the Elementary and Secondary Education Act of 1965 to provide for digital education partnerships; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. HUTCHISON:

S. 605. A bill to amend the Internal Revenue Code of 1986 to encourage a strong community-based banking system; to the Committee on Finance.

By Mr. CRAPO (for himself, Mr. ALLARD, and Mr. CRAIG):

S. 606. A bill to provide additional authority to the Office of Ombudsman of the Environmental Protection Agency; to the Committee on Environment and Public Works.

By Mr. ALLARD (for himself and Mr. GRAMM):

S. 607. A bill to amend the National Housing Act to require partial rebates of FHA

mortgage insurance premiums to certain mortgagors upon payment of their FHA-insured mortgages; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BUNNING (for himself and Mr. MCCONNELL):

S. 608. A bill to amend the Tennessee Valley Authority Act of 1933 to provide for greater ownership of electric power generation assets by municipal and rural electric cooperative utilities that provide retail electric service in the Tennessee Valley region, and for other purposes, to the Committee on Energy and Natural Resources.

ADDITIONAL COSPONSORS

S. 136

At the request of Mr. GRAMM, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 136, a bill to amend the Omnibus Trade and Competitiveness Act of 1988 to extend trade negotiating and trade agreement implementing authority.

S. 145

At the request of Mr. THURMOND, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 145, a bill to amend title 10, United States Code, to increase to parity with other surviving spouses the basic annuity that is provided under the uniformed services Survivor Benefit Plan for surviving spouses who are at least 62 years of age, and for other purposes.

S. 225

At the request of Mr. WARNER, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 225, a bill to amend the Internal Revenue Code of 1986 to provide incentives to public elementary and secondary school teachers by providing a tax credit for teaching expenses, professional development expenses, and student education loans.

S. 258

At the request of Ms. SNOWE, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 258, a bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of annual screening pap smear and screening pelvic exams.

S. 277

At the request of Mr. KENNEDY, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 277, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

S. 291

At the request of Mr. THOMPSON, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 291, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for State and local sales taxes in lieu of State and local income taxes and to allow the State and local income tax deduction against the alternative minimum tax.

S. 413

At the request of Mr. DODD, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 413, a bill to amend part F of title X of the Elementary and Secondary Education Act of 1965 to improve and refocus civic education, and for other purposes.

S. 452

At the request of Mr. MURKOWSKI, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 452, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 549

At the request of Mr. CRAPO, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 549, a bill to ensure the availability of spectrum to amateur radio operators.

S. 596

At the request of Mr. BINGAMAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 596, a bill to amend the Internal Revenue Code of 1986 to provide tax incentives to encourage the production and use of efficient energy sources, and for other purposes.

S. 597

At the request of Mr. BINGAMAN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 597, a bill to provide for a comprehensive and balanced national energy policy.

S. CON. RES. 17

At the request of Mr. SARBANES, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. Con. Res. 17, a concurrent resolution expressing the sense of Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

S. RES. 63

At the request of Mr. CAMPBELL, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. Res. 63, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LIEBERMAN (for himself and Mr. FEINGOLD):

S. 603. A bill to provide for full voting representation in the Congress for the citizens of the District of Columbia to amend the Internal Revenue Code of 1986 to provide that individuals who are residents of the District of Columbia shall be exempt from Federal income taxation until such full voting representation takes effect, and for other purposes; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, I rise today to join with my colleague Senator RUSS FEINGOLD and with my longtime friend Congresswoman ELEANOR HOLMES NORTON in the House of Representatives, in sending the message that, as the United States Supreme Court has said, "No right is more precious in a free country than that of having a voice in the election of those who make the laws under which, as good citizens, we must live." Here we are, in the year 2001—225 years after the birth of our nation—and the residents of the District of Columbia, despite paying their full freight of federal taxes, are still deprived of this fundamental right. The bill we introduce today, the "No Taxation Without Representation Act of 2001," drawing on the famous cry of the Boston Tea Party, is a reminder that full representation is a building block of the covenant of our democracy, a birthright of every American citizen.

The voting problems in the 2000 Presidential election make the symbolism of this bill even more powerful. Not since the civil rights struggle of the early 1960's have we been so keenly aware of the importance of a vote. All taxpaying citizens of the United States, except the residents of Washington, D.C., can vote for representatives to advocate for and protect the interests of their constituents in both the House and Senate. As American citizens, we do not regard this opportunity as a privilege; we regard it as a right. Many Americans are not aware and, I believe, would be shocked to know that the residents of the District of Columbia have no such right. Although they regularly elect "shadow" Senators and a "shadow" Representative, these people are not recognized as members of Congress. The sole voice in Congress for D.C. is Delegate ELEANOR HOLMES NORTON in the House of Representatives.

Now I have known Congresswoman NORTON for many years, and I know her to be able and persistent. The residents of Washington, D.C. are lucky to have such a strong and talented advocate on their side. But as a delegate, she has the right to vote only in committee; she does not have the right to vote on the congressional floor. So unlike every other American, Washingtonians have no congressional representatives to call who can vote for or against pending legislation that may become the law of the land, their land.

Ever since the American Revolution, the power to tax and the right to vote have been inextricably linked. D.C. residents pay federal taxes, but have no vote in Congress. I am introducing this bill today in order to condemn this unfair situation. If enacted, this bill would exempt D.C. residents from paying federal income tax so long as they are not fully represented on Capitol Hill. There is a rationale for such an exemption from tax. Residents of United States territories such as Puerto Rico, Guam, and the United States Virgin Islands which, like D.C., have delegate representation in Congress are not required to pay any federal income tax. But let me be clear. My goal in sponsoring this legislation is not to provide a windfall to the people of Washington, D.C. Allowing the residents of D.C. to live tax-free will not solve this problem. This bill is a matter of principle, not tax policy. And the principle is the right to full enfranchisement.

As our nation's capital, Washington, D.C. belongs to each and every American. We should all take pride in this beautiful city and show its citizens the respect they deserve. That is why I have long supported legislation providing much-needed financial and political empowerment for D.C. I was an original cosponsor of the D.C. Economic Recovery Act of 1997, which would have offered tax incentives for people to live and invest in here in D.C. We succeeded in getting two provisions of that bill enacted, a tax credit for first-time home-buyers and elimination of capital gains tax for economic development investments in D.C. I was also an original cosponsor of legislation to grant D.C. statehood both times it was introduced. And it is because I still believe that the people of Washington, D.C. deserve full participation in our democracy that I am sponsoring the No Taxation Without Representation Act of 2001 today.

My hope is that by introducing this bill, we can bring national attention to the injustice that the residents of Washington, D.C. have for too long endured. I hope it will help rally the necessary support here in Congress to grant D.C. full congressional voting rights. All American citizens deserve the right to elect representatives to speak and to vote on their behalf in Congress. It is time that the American citizens living within the borders of Washington, D.C. are given their due. I urge my colleagues to join me in supporting this legislation, and 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. 603

*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 "No Taxation Without Representation Act of 2001".

#### SEC. 2. FINDINGS.

Congress finds as follows:

(1) The residents of the District of Columbia are the only Americans who pay Federal income taxes but are denied voting representation in the House of Representatives and the Senate.

(2) The principle of one person, one vote requires that residents who have met every element of American citizenship should have every benefit of American citizenship, including voting representation in the House and the Senate.

(3) The residents of the District of Columbia are twice denied equal representation, because they do not have voting representation as other taxpaying Americans do and are nevertheless required to pay Federal income taxes unlike the Americans who live in the territories.

(4) Despite the denial of voting representation, Americans in the Nation's capital are second among the residents of all States in per capita income taxes paid to the Federal Government.

(5) Unequal voting representation in our representative democracy is inconsistent with the founding principles of the Nation and the strongly held principles of the American people today.

#### SEC. 3. REPRESENTATION IN CONGRESS FOR DISTRICT OF COLUMBIA.

Notwithstanding any other provision of law, the community of American citizens who are residents of the District constituting the seat of government of the United States shall have full voting representation in the Congress.

#### SEC. 4. EXEMPTION FROM TAX FOR INDIVIDUALS WHO ARE RESIDENTS OF THE DISTRICT OF COLUMBIA.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by inserting after section 138 the following new section:

##### "SEC. 138A. RESIDENTS OF THE DISTRICT OF COLUMBIA.

"(a) EXEMPTION FOR RESIDENTS DURING YEARS WITHOUT FULL VOTING REPRESENTATION IN CONGRESS.—This section shall apply with respect to any taxable year during which residents of the District of Columbia are not represented in the House of Representatives and Senate by individuals who are elected by the voters of the District and who have the same voting rights in the House of Representatives and Senate as Members who represent States.

"(b) RESIDENTS FOR ENTIRE TAXABLE YEAR.—An individual who is a bona fide resident of the District of Columbia during the entire taxable year shall be exempt from taxation under this chapter for such taxable year.

"(c) TAXABLE YEAR OF CHANGE OF RESIDENCE FROM DISTRICT OF COLUMBIA.—

"(1) IN GENERAL.—In the case of an individual who has been a bona fide resident of the District of Columbia for a period of at least 2 years before the date on which such individual changes his residence from the District of Columbia, income which is attributable to that part of such period of District of Columbia residence before such date shall not be included in gross income and shall be exempt from taxation under this chapter.

"(2) DEDUCTIONS, ETC. ALLOCABLE TO EXCLUDED AMOUNTS NOT ALLOWABLE.—An individual shall not be allowed—

"(A) as a deduction from gross income any deductions (other than the deduction under

section 151, relating to personal exemptions), or

“(B) any credit, properly allocable or chargeable against amounts excluded from gross income under this subsection.

“(d) DETERMINATION OF RESIDENCY.—

“(1) IN GENERAL.—For purposes of this section, the determination of whether an individual is a bona fide resident of the District of Columbia shall be made under regulations prescribed by the Secretary.

“(2) INDIVIDUALS REGISTERED TO VOTE IN OTHER JURISDICTIONS.—No individual may be treated as a bona fide resident of the District of Columbia for purposes of this section with respect to a taxable year if at any time during the year the individual is registered to vote in any other jurisdiction.”

(b) NO WAGE WITHHOLDING.—Paragraph (8) of section 3401(a) of such Code is amended by adding at the end the following new subparagraph:

“(E) for services for an employer performed by an employee if it is reasonable to believe that during the entire calendar year the employee will be a bona fide resident of the District of Columbia unless section 138A is not in effect throughout such calendar year; or”

(c) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 138 the following new item:

“Sec. 138A. Residents of the District of Columbia.”

(d) EFFECTIVE DATE.—

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

(2) WITHHOLDING.—The amendment made by subsection (b) shall apply to remuneration paid after the date of the enactment of this Act.

By Mr. COCHRAN (for himself, Mr. KENNEDY, and Mr. WARNER):

S. 604. A bill to amend title III or the Elementary and Secondary Education Act of 1965 to provide for digital education partnerships; to the Committee on Health, Education, Labor, and Pensions.

Mr. COCHRAN. Mr. President, today I am proud to introduce the Ready To Learn, Ready To Teach Act. I am pleased to be joined by my colleagues, Senators KENNEDY and WARNER.

In 1992, Senator KENNEDY and I introduced the Ready To Learn Television Act. The premise was to utilize the time children spend watching television to prepare them for the first year of school. Data told us that nearly every preschool child in America was watching up to 30 hours of television per week. While there were some educational television shows, there was not a consistent effort to provide truly meaningful programming.

Ready to Learn was signed by President Bush in October, 1992. The new law supported the coordination of existing Public Broadcasting shows like Sesame Street and Mister Rogers' Neighborhood. By 1994, more local public television stations began airing a

consistent block of preschool educational programs and PBS began developing supplemental materials to help parents prepare their children for school.

Today, new research from the University of Alabama and the University of Kansas tells us that Ready to Learn is having a positive impact on children and their parents. The University of Alabama study found that Ready to Learn families read books together more often and for longer periods than non participants. And—this is a fact that surprises many—Ready to Learn children watch 40 percent less television and are more likely to choose educational programs when they do watch.

Using the best research tested information available, Ready To Learn supports the development of educational, commercial-free television shows for young children. Between the Lions, is the first television series to offer educationally valid reading instruction which has been endorsed by the professional organizations that represent librarians, teachers and school principals. Its partners also include: the Center for the Book at the Library of Congress; the National Center for Family Literacy; the National Coalition for Literacy and the Home Instruction Program for Preschool Youngsters. This broad-based support is unprecedented for a children's television show. It is well deserved affirmation of the Ready to Learn mission.

A recent study from the University of Kansas showed that children who watched Between the Lions a few hours per week, increased their knowledge of letter-sound correspondence by 64 percent compared to a 25 percent increase by those who did not watch it. Continuing research suggests that classroom, teacher led use of the video and online resources will be beneficial to kindergarten and first grade students and is desired by teachers.

Thirty seven million children have played to, sung with, and learned from Ready To Learn Television shows. The parents and other care givers of more than 6 million children have participated in the local workshops and other services provided by 133 public broadcasting stations.

In my state, the Mississippi Educational Television Network Ready to Learn director, Cassandra Washington Love, has received high praise for the effective assistance she provides to families. One grandfather said, “It made my grandchildren happy to know that they could get free books. My wife and I were also happy because we were not able to buy them any books. Thanks to that TV station.”

The second element of the Ready To Learn, Ready To Teach Act concerns teacher professional development. MATHLINE is a proven professional development model for teachers of math-

ematics. In 1994, Congress authorized the “Telecommunications Demonstration Project for Mathematics,” which has supported a project called MATHLINE.

MATHLINE is a blend of technology and teacher “best practices.” MATHLINE demonstrations established some of the first internet-like online communications between teachers. The flexibility of video tape allows MATHLINE participants to adjust training schedules and cut out the expense and time of travel.

This bill graduates MATHLINE to TeacherLine, a more comprehensive professional development tool for teachers of preschool through twelfth grade. TeacherLine will also support state of the art, digitally produced content for classroom use.

Digital broadcasting will dramatically increase the services local public broadcasting stations can offer schools. One of the most exciting is the ability to broadcast multiple video channels and data information simultaneously. This will make possible for instructional materials to be distributed on full time, continuous channels, on demand, when teachers and students need it.

In my opinion we should reauthorize the programs that are successful models and lead to educational improvement.

The Ready To Learn, Ready To Teach Act takes the best of educational technology programming; improves those proven to work, and places renewed confidence in one of education's most trusted and successful partners.

I hope Senators will support this important education legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 604

*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 “Ready to Learn, Ready to Teach Act of 2001”.

#### SEC. 2. REVISION OF PART C OF TITLE III.

Part C of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6921 et seq.) is amended to read as follows:

#### “PART C—READY-TO-LEARN DIGITAL TELEVISION

##### “SEC. 3301. FINDINGS.

“Congress makes the following findings:

“(1) In 1994, Congress and the Department collaborated to make a long-term, meaningful and public investment in the principle that high quality preschool television programming will help children be ready to learn by the time the children entered first grade.

“(2) The Ready to Learn Television Program through the Public Broadcasting Service (PBS) and local public television stations

has proven to be an extremely cost-effective national response to improving early childhood cognitive development and helping parents, caregivers, and professional child care providers learn how to use television as a means to help children learn and develop social skills and values.

“(3) Independent research shows that parents who participate in Ready to Learn workshops are more selective of the programs that they choose for their children, limit the number of hours of television viewing of their children, and use the television programs as a catalyst for learning.

“(4) The Ready to Learn (RTL) Television Program is supporting and creating commercial-free broadcast programs for young children that are of the highest possible educational quality.

“(5) Through the Nation’s 350 local public television stations, these programs and other programming elements reach tens of millions of children, their parents, and caregivers without regard to their economic circumstances, location, or access to cable. Public television is a partner with Federal policy to make television an instrument of preschool children’s education and early development.

“(6) The Ready to Learn Television Program supports thousands of local workshops organized and run by local public television stations, child care service providers, Head Start Centers, Even Start family literacy centers and schools. These workshops have trained 630,587 parents and professionals who, in turn, serve and support over 6,312,000 children across the Nation.

“(7) The Ready to Learn Television Program has published and distributed a periodic magazine entitled ‘PBS Families’ that contains developmentally appropriate material to strengthen reading skills and enhance family literacy.

“(8) Ready to Learn Television stations also have distributed millions of age-appropriate books in their communities. Each station receives a minimum of 300 books each month for free local distribution. Some stations are now distributing more than 1,000 books per month. Nationwide, more than 653,494 books have been distributed in low-income and disadvantaged neighborhoods free of charge.

“(9) Demand for Ready To Learn Television Program outreach and training has increased from 10 Public Broadcasting Service stations to 133 stations in 5 years. This growth has put a strain on available resources resulting in an inability to meet the demand for the service and to reach all the children who would benefit from the service.

“(10) Federal policy played a crucial role in the evolution of analog television by funding the television program entitled ‘Sesame Street’ in the 1960’s. Federal policy should continue to play an equally crucial role for children in the digital television age.

#### “SEC. 3302. READY-TO-LEARN.

“(a) IN GENERAL.—The Secretary is authorized to award grants to eligible entities described in section 3303(b) to develop, produce, and distribute educational and instructional video programming for preschool and elementary school children and their parents in order to facilitate the achievement of the National Education Goals.

“(b) AVAILABILITY.—In making such grants, the Secretary shall ensure that eligible entities make programming widely available, with support materials as appropriate, to young children, their parents, child care workers, and Head Start providers to increase the effective use of such programming.

#### “SEC. 3303. EDUCATIONAL PROGRAMMING.

“(a) AWARDS.—The Secretary shall award grants under section 3302 to eligible entities to—

“(1) facilitate the development directly, or through contracts with producers of children and family educational television programming, of—

“(A) educational programming for preschool and elementary school children; and

“(B) accompanying support materials and services that promote the effective use of such programming;

“(2) facilitate the development of programming and digital content especially designed for nationwide distribution over public television stations’ digital broadcasting channels and the Internet, containing Ready to Learn-based children’s programming and resources for parents and caregivers; and

“(3) enable eligible entities to contract with entities (such as public telecommunications entities) so that programs developed under this section are disseminated and distributed—

(A) to the widest possible audience appropriate to be served by the programming; and

(B) by the most appropriate distribution technologies.

“(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an entity shall be—

“(1) a public telecommunications entity that is able to demonstrate a capacity for the development and national distribution of educational and instructional television programming of high quality for preschool and elementary school children;

“(2) able to demonstrate a capacity to contract with the producers of children’s television programming for the purpose of developing educational television programming of high quality for preschool and elementary school children; and

“(3) able to demonstrate a capacity to localize programming and materials to meet specific State and local needs and provide educational outreach at the local level.

“(c) CULTURAL EXPERIENCES.—Programming developed under this section shall reflect the recognition of rural/urban cultural and ethnic diversity of the Nation’s children and the needs of both boys and girls in preparing young children for success in school.

#### “SEC. 3304. DUTIES OF SECRETARY.

“The Secretary is authorized—

“(1) to award grants to eligible entities described in section 3303(b), local public television stations, or such public television stations that are part of a consortium with 1 or more State educational agencies, local educational agencies, local schools, institutions of higher education, or community-based organizations of demonstrated effectiveness, for the purpose of—

“(A) addressing the learning needs of young children in limited English proficient households, and developing appropriate educational and television programming to foster the school readiness of such children;

“(B) developing programming and support materials to increase family literacy skills among parents to assist parents in teaching their children and utilizing educational television programming to promote school readiness; and

“(C) identifying, supporting, and enhancing the effective use and outreach of innovative programs that promote school readiness;

“(D) developing and disseminating education and training materials, including—

“(i) interactive programs and programs adaptable to distance learning technologies that are designed to enhance knowledge of

children’s social and cognitive skill development and positive adult-child interactions;

“(ii) teacher training and professional development to ensure qualified caregivers; and

“(iii) support materials to promote the effective use of materials developed under subparagraph (B) among parents, Head Start providers, in-home and center-based daycare providers, early childhood development personnel, elementary school teachers, public libraries, and after-school program personnel caring for preschool and elementary school children; and

“(E) distributing books to low-income individuals to leverage high-quality television programming;

“(2) to establish within the Department a clearinghouse to compile and provide information, referrals, and model program materials and programming obtained or developed under this part to parents, child care providers, and other appropriate individuals or entities to assist such individuals and entities in accessing programs and projects under this part; and

“(3) to coordinate activities assisted under this part with the Secretary of Health and Human Services in order to—

“(A) maximize the utilization of quality educational programming by preschool and elementary school children, and make such programming widely available to federally funded programs serving such populations; and

“(B) provide information to recipients of funds under Federal programs that have major training components for early childhood development, including programs under the Head Start Act and Even Start, and State training activities funded under the Child Care Development Block Grant Act of 1990, regarding the availability and utilization of materials developed under paragraph (1)(D) to enhance parent and child care provider skills in early childhood development and education.

#### “SEC. 3305. APPLICATIONS.

“Each entity desiring a grant under section 3302 or 3304 shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

#### “SEC. 3306. REPORTS AND EVALUATION.

“(a) ANNUAL REPORT TO SECRETARY.—An eligible entity receiving funds under section 3302 shall prepare and submit to the Secretary an annual report which contains such information as the Secretary may require. At a minimum, the report shall describe the program activities undertaken with funds received under section 3302, including—

“(1) the programming that has been developed directly or indirectly by the eligible entity, and the target population of the programs developed;

“(2) the support materials that have been developed to accompany the programming, and the method by which such materials are distributed to consumers and users of the programming;

“(3) the means by which programming developed under this section has been distributed, including the distance learning technologies that have been utilized to make programming available and the geographic distribution achieved through such technologies; and

“(4) the initiatives undertaken by the eligible entity to develop public-private partnerships to secure non-Federal support for the development, distribution, and broadcast of educational and instructional programming.

“(b) REPORT TO CONGRESS.—The Secretary shall prepare and submit to the relevant committees of Congress a biannual report which includes—

“(1) a summary of activities assisted under section 3303(a); and

“(2) a description of the training materials made available under section 3304(1)(D), the manner in which outreach has been conducted to inform parents and child care providers of the availability of such materials, and the manner in which such materials have been distributed in accordance with such section.

**“SEC. 3307. ADMINISTRATIVE COSTS.**

“With respect to the implementation of section 3303, eligible entities receiving a grant from the Secretary may use not more than 5 percent of the amounts received under such section for the normal and customary expenses of administering the grant.

**“SEC. 3308. DEFINITION.**

“For the purposes of this part, the term ‘distance learning’ means the transmission of educational or instructional programming to geographically dispersed individuals and groups via telecommunications.

**“SEC. 3309. AUTHORIZATION OF APPROPRIATIONS.**

“(a) IN GENERAL.—There are authorized to be appropriated to carry out this part, \$50,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 5 succeeding fiscal years.

“(b) FUNDING RULE.—Not less than 60 percent of the amounts appropriated under subsection (a) for each fiscal year shall be used to carry out section 3303.”

**SEC. 3. REVISION OF PART D OF TITLE III.**

Part D of title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6951 et seq.) is amended to read as follows:

**“PART D—THE TEACHERLINE PROGRAM**

**“SEC. 3401. FINDINGS.**

“Congress makes the following findings:

“(1) Since 1995, the Telecommunications Demonstration Project for Mathematics (as established under this part pursuant to the Improving America’s Schools Act of 1994) (in this section referred to as ‘MATHLINE’) has allowed the Public Broadcasting Service to pioneer and refine a new model of teacher professional development for kindergarten through grade 12 teachers. MATHLINE uses video modeling of standards-based lessons, combined with professionally facilitated online learning communities of teachers, to help mathematics teachers from elementary school through secondary school adopt and implement standards-based practices in their classrooms. This approach allows teachers to update their skills on their own schedules through video, while providing online interaction with peers and master teachers to reinforce that learning. This integrated, self-paced approach breaks down the isolation of classroom teaching while making standards-based best practices available to all participants.

“(2) MATHLINE was developed specifically to disseminate the first national voluntary standards for teaching and learning as developed by the National Council of Teachers of Mathematics (NCTM). During 3 years of actual deployment, more than 5,800 teachers have participated for at least a full year in the demonstration. These teachers, in turn, have taught more than 1,500,000 students cumulatively.

“(3) Independent evaluations indicate that teaching improves and students benefit as a result of the MATHLINE program.

“(4) The MATHLINE program is ready to be expanded to reach many more teachers in

more subject areas under the broader title of Teacherline. The Teacherline Program will link the digitized public broadcasting infrastructure with education networks by working with the program’s digital membership, and Federal and State agencies, to expand and build upon the successful MATHLINE model and take advantage of greatly expanded access to the Internet and technology in schools, including digital television. Tens of thousands of teachers will have access to the Teacherline Program to advance their teaching skills and their ability to integrate technology into teaching and learning. The Teacherline Program also will leverage the Public Broadcasting Service’s historic relationships with higher education to improve preservice teacher training.

“(5) The congressionally appointed Web-based Education Commission recently issued a comprehensive report on Internet learning that called for powerful new Internet resources, especially broadband access, to be made widely and equitably available and affordable for all learners.

“(6) The Web-based Education Commission also called for continuous and relevant training and support for educators and administrators at all levels.

“(7) The National Research Council recently issued a report entitled ‘Adding It Up: Helping Children Learn Mathematics’ that concluded that professional development in mathematics needs to be sustained over years in order to be effective.

“(8) Furthermore, the Glenn Commission, appointed by the Secretary of Education to consider ways of improving preparation and professional growth for mathematics and science teachers concluded that teacher training ‘depends upon sustained, high-quality professional development’. The Commission recommended the establishment of an ongoing system to improve the quality of mathematics and science teaching in grades K–12.

“(9) Over the past several years tremendous progress has been made in wiring classrooms, equipping the classrooms with multimedia computers, and connecting the classrooms to the Internet.

“(10) There is a great need for aggregating high quality, curriculum-based digital content for teachers and students to easily access and use in order to meet State and local standards for student performance.

“(11) The congressionally appointed Web-based Education Commission called for the development of high quality public-private online educational content that meets the highest standards of educational excellence.

“(12) Most local public television stations and State networks provide high-quality video programs, and teacher professional development, as a part of their mission to serve local schools. Programs distributed by public broadcast stations are used by more classroom teachers than any other because of their high quality and relevance to the curriculum.

“(13) Digital broadcasting can dramatically increase and improve the types of services public broadcasting stations can offer kindergarten through grade 12 schools.

“(14) Digital broadcasting can contribute to the improvement of schools and student performance as follows:

“(A) Broadcast of multiple video channels and data information simultaneously.

“(B) Data can be transmitted along with the video content enabling students to interact, access additional information, communicate with featured experts, and contribute their own knowledge to the subject.

“(C) Both the video and data can be stored on servers and made available on demand to teachers and students.

“(15) Interactive digital education content will be an important component of Federal support for States in setting high standards and increasing student performance.

**“SEC. 3402. PROJECT AUTHORIZED.**

“(a) The Secretary is authorized to make grants to a nonprofit telecommunications entity, or partnership of such entities, for the purpose of carrying out a national telecommunications-based program to improve teaching in core curriculum areas. The program shall be designed to assist elementary school and secondary school teachers in preparing all students for achieving State and local content standards in core curriculum areas.

“(b) The Secretary is also authorized to award grants to eligible entities described in section 3404(b) to develop, produce, and distribute innovative educational and instructional video programming that is designed for use by kindergarten through grade 12 schools and based on State and local standards. In making the grants, the Secretary shall ensure that eligible entities enter into multiyear content development collaborative arrangements with State educational agencies, local educational agencies, institutions of higher education, businesses, or other agencies and organizations.

**“SEC. 3403. APPLICATION REQUIRED.**

“(a) Each nonprofit telecommunications entity, or partnership of such entities, desiring a grant under section 3402(a) shall submit an application to the Secretary. Each such application shall—

“(1) demonstrate that the applicant will use the public broadcasting infrastructure and school digital networks, where available, to deliver video and data in an integrated service to train teachers in the use of standards-based curricula materials and learning technologies;

“(2) ensure that the project for which assistance is sought will be conducted in cooperation with appropriate State educational agencies, local educational agencies, national, State or local nonprofit public telecommunications entities, and national education professional associations that have developed content standards in the subject areas;

“(3) ensure that a significant portion of the benefits available for elementary schools and secondary schools from the project for which assistance is sought will be available to schools of local educational agencies which have a high percentage of children counted for the purpose of part A of title I; and

“(4) contain such additional assurances as the Secretary may reasonably require.

“(b) In approving applications under section 3402(a), the Secretary shall ensure that the program authorized by section 3402(a) is conducted at elementary school and secondary school sites across the Nation.

“(c) Each eligible entity desiring a grant under section 3402(b) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

**“SEC. 3404. REPORTS AND EVALUATION.**

“An eligible entity receiving funds under section 3402(a) shall prepare and submit to the Secretary an annual report which contains such information as the Secretary may require. At a minimum, the report shall describe the program activities undertaken with funds received under section 3402(a), including—

“(1) the core curriculum areas for which program activities have been undertaken and the number of teachers using the program in each core curriculum area; and

“(2) the States in which teachers using the program are located.

**“SEC. 3405. EDUCATIONAL PROGRAMMING.**

“(a) AWARDS.—The Secretary shall award grants under section 3402(b) to eligible entities to—

“(1) facilitate the development of educational programming that shall—

“(A) include student assessment tools to give feedback on student performance;

“(B) include built-in teacher utilization and support components to ensure that teachers understand and can easily use the content of the programming with group instruction or for individual student use;

“(C) be created for, or adaptable to, State and local content standards; and

“(D) be capable of distribution through digital broadcasting and school digital networks.

“(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under section 3402(b), an entity shall be a local public telecommunications entity as defined by section 397(12) of the Communications Act of 1934 that is able to demonstrate a capacity for the development and distribution of educational and instructional television programming of high quality.

“(c) COMPETITIVE BASIS.—Grants under section 3402(b) shall be awarded on a competitive basis as determined by the Secretary.

“(d) DURATION.—Each grant under section 3402(b) shall be awarded for a period of 3 years in order to allow time for the creation of a substantial body of significant content.

**“SEC. 3406. MATCHING REQUIREMENT.**

“Each eligible entity desiring a grant under section 3402(b) shall contribute to the activities assisted under section 3402(b) non-Federal matching funds equal to not less than 100 percent of the amount of the grant. Matching funds may include funds provided for the transition to digital broadcasting, as well as in-kind contributions.

**“SEC. 3407. ADMINISTRATIVE COSTS.**

“With respect to the implementation of section 3402(b), entities receiving a grant from the Secretary may use not more than 5 percent of the amounts received under the grant for the normal and customary expenses of administering the grant.

**“SEC. 3408. AUTHORIZATION OF APPROPRIATIONS.**

“There are authorized to be appropriated to carry out this part, \$45,000,000 for the fiscal year 2002, and such sums as may be necessary for each of the 5 succeeding fiscal years. However, for any fiscal year in which appropriations for section 3402 exceeds the amount appropriated under such section for the preceding fiscal year, the Secretary shall only award the amount of such excess minus at least \$500,000 to applicants under section 3402(b).”.

Mr. KENNEDY. Mr. President, it is a privilege to join Senator COCHRAN in sponsoring the Ready to Learn, Ready to Teach Act of 2001. I commend him for his leadership in improving early learning opportunities for children and families, so that more children come to school ready to learn.

In the early 1990s, Dr. Ernest Boyer, the distinguished former leader of the Carnegie Foundation, gave compelling testimony to the Senate Labor Committee about the appallingly high num-

ber of children who enter school without the skills to prepare them for learning. Their lack of preparation presented enormous obstacles to their ability to learn effectively in school, and seriously impaired their long-term achievement.

In response, Congress enacted the Ready to Learn program in 1992, and 2 years later its promise was so great that we extended it for five years. Because of the Department of Education and the Corporation for Public Broadcasting, the Ready to Learn initiative became an innovative and effective program. By linking the power of television to the world of books, many more children have been enabled to become good readers much more quickly.

Many children who enter school without the necessary basic skills are soon placed in a remedial program, which is costly for school systems. It is even more costly, however, for the students who face a bleaker future.

Today, by the time they enter school, the average child will have watched 4,000 hours of television. That is roughly the equivalent of 4 years of school.

For far too many youngsters, this is wasted time—time consuming “empty calories” for the brain. Instead, that time could be spent reading, writing, and learning. Through Ready to Learn television programming, children can obtain substantial educational benefits that turn TV time into learning time.

As a result of Ready to Learn television, millions of children and families have access to high-quality television produced by public television stations across the country. Tens of thousands of parents and child-care providers have learned how to be better role models, to reinforce learning, and to be more active participants in children’s learning from programs funded through Ready to Learn.

For many low-income families, the workshops, books, and television shows funded through this program are a vital factor in preparing children to read. These programs help parents and child-care providers teach children the basics, preparing them to enter school ready to learn and ready to succeed.

Ready to Learn provides 6.5 hours of non-violent educational programming a day. These hours include some of the best programs available to children, including Arthur, Barney & Friends, Mister Rogers’ Neighborhood, The Puzzle Place, Reading Rainbow, and Sesame Street.

A recent study by the University of Alabama found that Ready to Learn works. Parents who participate in Ready to Learn workshops are more critical consumers of television and their children are more active viewers. Children watch 40 percent less television overall, and they watch more education-oriented programming. These parents did more hands-on activities and read more minutes with

their children than non-attendees. They read less for entertainment and more for education. They took their children to libraries and bookstores more than non-attendees.

Ready to Learn extends beyond the television screen. Thousands of workshops are offered by local television stations, almost always in conjunction with local child-care training agencies or early childhood development professionals. These workshops have trained more than 320,000 parents and professionals who serve and support over 4 million children across the country.

Ready to Learn has published and distributed millions of copies of PBS magazine, a quarterly which contains developmentally appropriate games and activities around Ready to Learn programming, parenting advice, news, and other information.

In partnership with PBS and other programs, each station receives a minimum of 200 books each month for free local distribution. More than 300,000 books are distributed each year. Twelve of the 15 television programs named “best for classroom use” by teachers are PBS programs according to a 1997 study by the Corporation for Public Television.

In addition, Ready to Learn stations have won 57 Emmys for their children’s programming.

Many of the innovations under Ready to Learn have come from local stations. WGBH in Boston is one of the nation’s leaders in public broadcasting. It created the Reading Rainbow, and Where in the World is Carmen San Diego, which are leaders in educational programming across the country.

Last year, WGBH hosted 34 Ready to Learn workshops in Massachusetts. 1,100 parents and 265 child-care providers and teachers attended. These parents and providers in turn worked with 3,400 children, who are now better prepared to succeed in their schools.

WGBY of Springfield is the mainstay of literacy services for Western Massachusetts. This station trained 250 home day-care providers, who serve 2,500 children. A video lending library makes PBS materials available to teachers to use in their classroom.

Workshop participants receive training on using children’s programs as the starting point for educational activities. Participants receive free books. For some, these are the only books they have ever owned. They receive the PBS Families magazine, in English or Spanish, and they also receive the broadcasting schedules. Each of these resources builds on the learning that begins with viewing the PBS programs.

Through partnerships with the Massachusetts Office of Child Care Services and community-based organizations such as Head Start, Even Start, and the Reach Out & Read Program at Boston Medical Center, Ready to Learn trainers are reaching many low-income

families with media and literacy information.

In Worcester, the Clark Street Developmental Learning School offers a family literacy program that uses Reading Rainbow or Arthur in every session with families. In addition, the school has now expanded its efforts to create an adult literacy center in the school. Many of the parents involved in the Ready to Learn project now attend the adult education program there.

Similar successes are happening across the nation. Since 1994, the sponsors of Ready to Learn workshops have given away 1.5 million books. Their program has grown from 10 television stations in 1994 to 130 television stations today. They have conducted over 8,500 workshops reaching 186,000 parents and 146,000 child care providers, who have in turn affected the lives of over four million children.

The Ready to Learn, Ready to Teach Act of 2001 that we are introducing today will continue this high-quality children's television programming. Equally important, it will take this valuable service into the next century through digital television, a powerful resource for delivering additional information through television programs.

The Ready to Learn, Ready to Teach Act will also increase the authorization of funds for Ready to Learn programs from \$30 million to \$50 million a year, enabling these programs to reach even more families and children with these needed services.

The Act also authorizes \$20 million for high-quality teacher professional development. Building on the success of the MathLine program, the bill will expand the program to include materials for helping teachers to teach to high state standards in core subject areas.

Participating stations make the teachers workshops available through districts, schools, and even on the teachers' own television sets. In this way, at their own pace, and in their own time, teachers can review the materials, observe other teachers at work, and reflect on their own practices. They can consider ways to improve their teaching, and make adjustments to their own practices. Teachers will also receive essential help in integrating technology into their teaching.

Teachers themselves are very supportive of the contribution that television can make to their classrooms. Eighty-eight percent of teachers surveyed in 1997 by the Corporation for Public Broadcasting said that quality television used in the classroom helped them be more creative, 92 percent said that it helped them be more effective in the classroom.

Again, I commend Senator COCHRAN for his leadership, and I urge my colleagues to join us in support of this important legislation, so that many more

children can come to school ready to learn.

By Mr. CRAPO (for himself, Mr. ALLARD, and Mr. CRAIG):

S. 606. A bill to provide additional authority to the Office of Ombudsman of the Environmental Protection Agency; to the Committee on Environment and Public Works.

Mr. CRAPO. Mr. President, I rise today to introduce the Ombudsman Reauthorization Act of 2001 in partnership with the Senator from Colorado, Senator ALLARD, and my colleague from Idaho, Senator CRAIG.

We all expect our federal agencies to operate professionally, efficiently, and with the interests of the American people at the forefront. To help ensure this commitment, several officials are charged with the responsibility of internally auditing and monitoring the operations and expenses of agency and department programs. These individuals are sometimes known as "watch-dogs" for their role in alerting the public and Congress to questionable activities.

Within the Environmental Protection Agency's, EPA, Office of Solid Waste and Emergency Response, OSWER, this duty is held by the Ombudsman. The Ombudsman is ultimately responsible for responding to public inquiries into the activities of OSWER and investigating those matters that warrant closer scrutiny.

Originally established in 1984, the Ombudsman provides the public and Congress with an added measure of confidence that controversial waste control and emergency response actions by the EPA are being properly overseen and investigated where appropriate. Communities in Idaho, for their part, have twice welcomed the Ombudsman and his staff to our state to look into questionable decisions made by the EPA under the Superfund statute. In both cases, the Ombudsman has made extraordinary efforts to keep the public informed on the issues and a part of the investigations. Each time, the people of Idaho have shown collective relief that someone of the Ombudsman's stature and expertise has become involved in cleanup decisions in our state. In both cases, the Ombudsman has demonstrated an ability to understand the will of the community and, despite strong agency resistance, to point out policy decisions for cleanups that were not justified or in the public interest.

In 1988, the standing authority of the Ombudsman expired, leaving the office and investigations in a precarious position. In essence, while the Ombudsman endured as an "at will" employee of the EPA, the Office's independence and authority have continuously been eroded by the agency. Today, the Ombudsman must get approval for new investigation and budgetary needs from the

very people he and his staff must monitor. With these restrictions on the Ombudsman's functions, the public has become increasingly alarmed by the loss of a true internal watch-dog of EPA activities.

The Ombudsman Reauthorization Act of 2001 would help restore public confidence. First and foremost, it would reestablish the statutory recognition of the Office of Ombudsman within the OSWER function of the EPA. Second, it would clarify the operational guidelines and authorities of the Ombudsman to collect information on matters requested by the public and investigate questionable agency activities. Finally, the measure would create a separate budget authority, free from the possible influence of those that may be subject to investigations.

This legislation is a careful balance between the need to restore public confidence in the independence of the Ombudsman and the need to ensure discretion and accountability in investigations conducted by the Ombudsman. I invite the Administration to engage us in an effort to recreate the Ombudsman in the model originally envisioned by Congress in the 1980s when the office was established. Our work together will help ensure the American people that EPA OSWER programs are chosen based on merits, functioning well, and are conducted in the interests of the public health and the environment.

I would like to take a moment to congratulate my colleague, Senator ALLARD, for his partnership in this effort. His leadership on this issue has helped raise public and congressional attention when few others recognized the importance of this cause. I salute him for his diligence in advancing this debate, and I have welcomed the opportunity to work with him on this legislation.

Mr. ALLARD. Mr. President, I rise today to say a few words about an issue of government accountability and public safety. Today, my colleague from Idaho, Senator CRAPO and I are introducing the Ombudsman Reauthorization Act of 2001. The bill's goal is to reauthorize the Ombudsman's Office within the Environmental Protection Agency's Office of Solid Waste and Emergency Response, (OSWER).

I'd like to keep my remarks brief, but I want to share my reasoning and interest in this issue. Last year, I introduced similar legislation because of an ongoing battle between the citizens of a Denver neighborhood and the EPA concerning the Shattuck Superfund site. Only through the work of the Ombudsman's office, did the truth finally become known.

The story surrounding the Shattuck site in the Overland Park neighborhood in southwest Denver and what the EPA did to this community will have a lasting impact not only on the residents of the Overland Park neighborhood, but

on each and every one of us who looks to the EPA to be the guardian of our nation's environmental health and safety. In 1997, after several years of EPA stonewalling, the residents of Overland Park in Denver brought their concerns about a Superfund site in their neighborhood and their frustrations with the EPA to my attention. I learned that the neighborhood had run into a wall of bureaucracy that was unresponsive to the very public it is charged with protecting and I requested the Ombudsman's intervention. In early 1999, the Ombudsman's office began an investigation and quickly determined that the claims made by residents were not only meritorious, but the EPA officials had engaged in an effort to keep documents and decisions hidden from the public thereby placing their health in danger.

The Shattuck saga has been a frustrating and often disheartening experience for all involved. It is an example of what can happen when a government entity goes unchecked. For the residents of Denver, the Office of Ombudsman afforded the only opportunity to reveal the truth, and for the health and safety of the public to be given proper priority. In fact, the Ombudsman was so successful at uncovering the facts surrounding Shattuck, his investigation has resulted in EPA officials restructuring the office so that its actions may be restricted, and its independence compromised.

Without the Ombudsman's investigation on Shattuck, the residents of Overland Park would have never learned the truth about the decisions made which had direct impact on their personal health. The Ombudsman's investigation brought integrity back into the process. Without the Ombudsman's work, a trusted federal agency would have been able to successfully hide the truth from the very people it is charged to protect. The Shattuck issue is a decade long example of why citizens' trust in their government has waned. Our bill will preserve the only mechanism within the EPA that the public can trust to protect their health and safety.

I am not alone in my concerns and the Shattuck case is not unique. Many of my fellow Senators and Representatives have experienced similar battles with the EPA over the years in their states.

After I introduced legislation last year, Senator CRAPO joined me in my legislative endeavors and has been a great asset. In experiencing a similar superfund problem in his home state of Idaho, Senator CRAPO knows firsthand the need for this independent and trustworthy office. As a member of the Environment and Public Works Committee, his assistance is greatly appreciated by me, and by all those who believe that their government should be there to serve the needs of the people.

With Senator CRAPO'S assistance, the committee held a hearing on my bill last year which helped to bring many of these concerns to light and push the issue forward. We have worked together in the first months of this Congress to craft this new bill, which I believe takes great strides in properly defining the role, powers, duties and responsibilities of a federal ombudsman. The bill guarantees the much needed independence of the office without creating another unaccountable government entity.

Let me make it clear that my main priority in introducing this bill, is to keep the EPA OSWER Ombudsman Office independent and open for business. I believe that in the future, my colleagues may find themselves in a similar situation and I want to make sure that they have every assurance that the public's safety is protected, that its voice is heard, that its questions are answered and that its concerns are addressed.

I look forward to working with new EPA Administrator Whitman to address these concerns and I'm sure she will agree with me on the need for government accountability and public confidence.

I would ask all my colleagues to take a close look at this bill and join Senator CRAPO and me in passing it.

By Mr. ALLARD (for himself and Mr. GRAMM):

S. 607. A bill to amend the National Housing Act to require partial rebates of FHA mortgage insurance premiums to certain mortgagors upon payment of their FHA-insured mortgages; to the Committee on Banking, Housing, and Urban Affairs.

Mr. ALLARD. Mr. President, I rise today to introduce legislation to direct the Secretary of Housing and Urban Development to reinstate distributive shares for excess amounts in the Federal Housing Administration, FHA, insurance fund.

FHA provides an important program for first time, low- and moderate-income, and minority homeowners. These families should not be overcharged on FHA premiums. Premiums in excess of an amount necessary to maintain an actuarially sound reserve ratio in the FHA Mutual Mortgage Insurance, MMI, Fund can only be characterized as a tax on homeownership.

On the other hand, Congress, in conjunction with the Department of Housing and Urban Development, must ensure that FHA stays healthy, so that it can continue to function as an important source of homeownership. The Congress has previously determined that a capital reserve ratio of 2 percent of the MMI fund's amortized insurance-in-force is necessary to ensure the safety and soundness of the MMI fund. However, it has never been clear how the Congress arrived at that number.

Last year, the accounting firm of Deloitte & Touche found that the capital adequacy ratio of the fund was 3.66 percent, far in excess of the Congressionally mandated goal of 2 percent. While it is important for Congress to know the capital adequacy ratio, it is just as important to understand the implications of the ratio and whether a 2 percent reserve is sufficient.

In order to get a better handle on this issue I requested that the General Accounting Office look into the matter, and earlier this week I held a hearing of the Subcommittee on Housing and Transportation to examine their findings. GAO's report finds that the current reserve is adequate to withstand all but the most serious economic scenarios. However, GAO also sounds a note of caution. Economic conditions can quickly change, thus changing the value of the fund and the level of reserve.

I believe that the most prudent course of action is for the Congress to increase the reserve requirement to either 2.5 percent or 3 percent of the insurance in force, and then direct the Department to reinstate distributive shares whenever the reserve fund becomes excessive. Therefore, I am reintroducing legislation that would require partial rebates of FHA mortgage insurance premiums to certain mortgagors upon repayment of their FHA insured mortgages. My legislation takes the cautious approach of providing rebates only when the reserve ratio is in excess of 3 percent, or 150 percent of the reserve level currently mandated by Congress. If the reserve ratio drops below 3 percent, distributive shares would be suspended. Of course this rebate would be based on sound actuarial and accounting practice since a major reason for the strength in the fund is that fact that we have experienced a near perfect economy in recent years.

The FHA single family mortgage program was designed to operate as a mutual insurance program where homeowners were granted rebates in excess of premiums required to maintain actuarial soundness. This rebate program was suspended at the direction of Congress in 1990 when the MMI fund was in the red—with the intent that the payment of distributive shares or rebates would resume when the Fund was again financially sound. With a sufficient capital reserve ratio, it is time to resume rebates and return the MMI program to its prior status as a mutual insurance fund.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 607

*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 "Homeowners Rebate Act of 2001".

**SEC. 2. PAYMENT OF DISTRIBUTIVE SHARES FROM MUTUAL MORTGAGE INSURANCE FUND RESERVES.**

(a) IN GENERAL.—Section 205(c) of the National Housing Act (12 U.S.C. 1711(c)) is amended to read as follows:

"(c) DISTRIBUTION OF RESERVES.—Upon termination of an insurance obligation of the Mutual Mortgage Insurance Fund by payment of the mortgage insured thereunder, if the Secretary determines (in accordance with subsection (e)) that there is a surplus for distribution under this section to mortgagors, the Participating Reserve Account shall be subject to distribution as follows:

"(1) REQUIRED DISTRIBUTION.—In the case of a mortgage paid after November 5, 1990, and insured for 7 years or more before such termination, the Secretary shall distribute to the mortgagor a share of such Account in such manner and amount as the Secretary shall determine to be equitable and in accordance with sound actuarial and accounting practice, subject to paragraphs (3) and (4).

"(2) DISCRETIONARY DISTRIBUTION.—In the case of a mortgage not described in paragraph (1), the Secretary is authorized to distribute to the mortgagor a share of such Account in such manner and amount as the Secretary shall determine to be equitable and in accordance with sound actuarial and accounting practice, subject to paragraphs (3) and (4).

"(3) LIMITATION ON AMOUNT.—In no event shall the amount any such distributable share exceed the aggregate scheduled annual premiums of the mortgagor to the year of termination of the insurance.

"(4) APPLICATION REQUIREMENT.—The Secretary shall not distribute any share to an eligible mortgagor under this subsection beginning on the date which is 6 years after the date that the Secretary first transmitted written notification of eligibility to the last known address of the mortgagor, unless the mortgagor has applied in accordance with procedures prescribed by the Secretary for payment of the share within 6-year period. The Secretary shall transfer from the Participating Reserve Account to the General Surplus Account any amounts that, pursuant to the preceding sentence, are no longer eligible for distribution."

(b) DETERMINATION OF SURPLUS.—Section 205(e) of the National Housing Act (12 U.S.C. 1711(e)) is amended by adding at the end the following: "Notwithstanding any other provision of this section, if, at the time of such a determination, the capital ratio (as defined in subsection (f)) for the Fund is 3.0 percent or greater, the Secretary shall determine that there is a surplus for distribution under this section to mortgagors."

(c) RETROACTIVE PAYMENTS.—

(1) TIMING.—Not later than 3 months after the date of enactment of this Act, the Secretary of Housing and Urban Development shall determine the amount of each distributable share for each mortgage described in paragraph (2) to be paid and shall make payment of such share.

(2) MORTGAGES COVERED.—A mortgage described in this paragraph is a mortgage for which—

(A) the insurance obligation of the Mutual Mortgage Insurance Fund was terminated by payment of the mortgage before the date of enactment of this Act;

(B) a distributable share is required to be paid to the mortgagor under section 205(c)(1)

of the National Housing Act (12 U.S.C. 1711(c)(1)), as amended by subsection (a) of this section; and

(C) no distributable share was paid pursuant to section 205(c) of the National Housing Act upon termination of the insurance obligation of such Fund.

**AMENDMENTS SUBMITTED AND PROPOSED**

SA 144. Mr. FITZGERALD proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

**TEXT OF AMENDMENTS**

SA 144. Mr. FITZGERALD proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform; as follows:

On page 37, between lines 14 and 15, insert:  
**SEC. . . CONTRIBUTION LIMITS APPLIED ON ELECTION CYCLE BASIS.**

(a) INDIVIDUAL LIMITS.—Section 315(a)(1)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(A)) is amended to read as follows:

"(A) to any candidate and the candidate's authorized political committee during the election cycle with respect to any Federal office which, in the aggregate, exceeds \$2,000;"

(b) MULTICANDIDATE POLITICAL COMMITTEES.—Section 315(a)(2)(A) of such Act (2 U.S.C. 441a(a)(2)(A)) is amended to read as follows:

"(A) to any candidate and the candidate's authorized political committees during the election cycle with respect to any Federal office which, in the aggregate, exceed \$10,000;"

(c) ELECTION CYCLE DEFINED.—Section 301 of such Act (2 U.S.C. 431), as amended by section 101, is amended by adding at the end the following:

"(25) ELECTION CYCLE.—The term 'election cycle' means, with respect to a candidate, the period beginning on the day after the date of the previous general election for the specific office or seat that the candidate is seeking and ending on the date of the general election for that office or seat."

(d) SPECIAL RULES.—Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended by adding at the end the following:

"(9) For purposes of this subsection—

"(A) if there are more than 2 elections in an election cycle for a specific Federal office, the limitations under paragraphs (1)(A) and (2)(A) shall be increased by \$1,000 and \$5,000, respectively, for the number of elections in excess of 2; and

"(B) if a candidate for President or Vice President is prohibited from receiving contribution with respect to the general election by reason of receiving funds under the Internal Revenue Code of 1986, the limitations under paragraphs (1)(A) and (2)(A) shall be decreased by \$1,000 and \$5,000."

(e) CONFORMING AMENDMENTS.—

(1) The second sentence of 315(a)(3) of such Act (2 U.S.C. 441a(a)(3)) is amended to read as follows: "For purposes of this paragraph, if any contribution is made to a candidate for Federal office during a calendar year in the election cycle for the office and no election is held during that calendar year, the contribution shall be treated as made in the first succeeding calendar year in the cycle in which an election for the office is held."

(2) Paragraph (6) of section 315(a) of such Act (2 U.S.C. 441a(a)(6)) is amended to read as follows:

"(6) For purposes of paragraph (9), all elections held in any calendar year for the office of President of the United States (except a general election for such office) shall be considered to be one election."

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date of enactment of this Act.

**PRIVILEGE OF THE FLOOR**

Mr. DORGAN. Mr. President, I ask unanimous consent that Mark Peters, a legislative fellow in my office, be granted floor privileges during this debate.

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

**EXECUTIVE SESSION**

**EXECUTIVE CALENDAR**

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations reported by the Foreign Relations Committee today: Executive Calendar Nos. 21 and 22, Marc Grossman and Richard Armitage.

I further ask unanimous consent that the nominations be confirmed en bloc, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's actions, 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 STATE**

Marc Isaiah Grossman, of Virginia, a Career Member of the Senior Foreign Service, Class of Career Minister, to be an Under Secretary of State.

Richard Lee Armitage, of Virginia, to be Deputy Secretary of State.

**LEGISLATIVE SESSION**

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

**COMPLIANCE WITH THE HAGUE CONVENTION ON INTERNATIONAL CHILD ABDUCTION**

Mr. DEWINE. Mr. President, I come to the floor of the Senate this afternoon to urge Senate passage of House-Senate Concurrent Resolution No. 69. The resolution will be in front of us shortly, either later this afternoon or next week. I thank my friend and my colleague from the State of Ohio, Congressman STEVE CHABOT, as well as Representative NICK LAMPSON from the State of Texas, for introducing and