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PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

SENATE—*Thursday, March 8, 2001*

The Senate met at 9:31 a.m. and was called to order by the Honorable JOHN ENSIGN, a Senator from the State of Nevada.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, Rev. Gerry Creedon, the pastor of St. Charles Catholic Church, Arlington, VA.

PRAYER

The guest Chaplain, Reverend Gerry Creedon, offered the following prayer:

God of justice, many who search for truth, as well as the followers of Abraham, Moses, and Jesus, proclaim You as the defender of the widow, the orphan, the poor, the stranger, the oppressed, the afflicted, the underpaid, and the captive.

As we exercise stewardship over the Nation's resources, may the needs of the poor and the vulnerable be our first concern. May our Government renew its leadership role with community groups and with people of faith in our common and oft neglected struggle against poverty.

God of peace, whose arms are the methods of non-violence, banish from our land the quick recourse to physical force. In the conduct of our foreign policy and in our response to crime, let development, diplomacy, and rehabilitation be the new names for peace.

As the followers of Patrick celebrate their heritage this month, may Irish Americans be the first among us to open doors of compassion and opportunity for all who seek refuge in our land.

''Failte roimh Cach,'' In ainm Phadraig, guimis, Amen.

PLEDGE OF ALLEGIANCE

The Honorable JOHN ENSIGN 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 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 8, 2001.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN ENSIGN, a Senator from the State of Nevada, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

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

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

REVEREND GERRY CREEDON, GUEST CHAPLAIN

Mr. KENNEDY. Mr. President, I commend the Senate's guest Chaplain, Rev. Gerry Creedon, for his eloquent prayer opening today's session of the Senate. Father Creedon has been a friend of long standing to the members of my family. We first came to know him in 1975 when he became the associate pastor at St. Luke's Catholic Church in McLean, VA.

Somehow he managed to learn the names not only of my children, but of all my nieces and nephews. This greatly impressed us all, especially Ethel, who knew then he must be very special, for it is a rare accomplishment even to this day. Over the years he has watched the children grow up and has always been there for them, and for all of us, in times of joy and in times of sorrow. It is Father Creedon who has presided over many a happy family wedding, and it is he whom we have always asked to celebrate the Mass in memory of my brother at his graveside in Arlington Cemetery.

You may have noticed a bit of a lilt in Father Creedon's voice as he gave the prayer this morning. You would not be wrong if you thought you heard an Irish accent. He was born in County Cork in Ireland.

He was educated at the University College Dublin and then came to the United States where he received his master's degree at Washington Theological Union in Maryland. He also studied at Catholic University here in Washington, DC, before being ordained in 1968 at All Hallows College in Dublin.

Fortunately for us, he was sent back to the United States after his ordination and started his pastoral service at Blessed Sacrament in Alexandria, VA. From Alexandria, to McLean, to pastor at Good Shepherd in Mt. Vernon, VA, Father Creedon has spent most of his life ministering to those in the metropolitan area. But in 1991 he was transferred to the Dominican Republic where he was a pastor and pastoral coordinator in the Diocese of San Juan de la Maguana for five years. He returned with a renewed passion in the Latino community and human rights issues, and has become an active spiritual advisor for people of Hispanic background in this area.

Currently, Father Creedon is the pastor of St. Charles in Arlington, VA. He is the Chair of the Virginia Inter-faith Center for Public Policy, and on the Steering Committee of Northern Virginia's Inter-faith Coalition for Justice. He has always taken a special interest in the housing needs of our less fortunate citizens and been active on behalf of disadvantaged children.

He was president of Gabriel Homes, Inc. which sponsored group living for developmentally disabled adults from 1982 until 1991, and was the Founder of Friends of Children's Services in 1983. His efforts have been recognized with many awards including the Human Rights Award from Fairfax County, the Social Worker of the Year Award from the Virginia Council of Social Workers. He received a nomination for Northern Virginian of the Year in the area of community service. Of course, being Irish, he has also found time to write poetry. It has even been published in Poetry Ireland Review.

When Father Creedon is not busy with his pastoral duties, you will find him on the golf course. It is a game he takes very seriously and I hear he is much improved. I think we can presume that prayer on the putting green

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

works. But most of all we love to be with him when he picks up his mandolin and sings us the Irish songs of his beloved County Cork and Dublin.

Whether he is with us for a sail at the Cape, talking about his achievements in hurling, celebrating mass, or baptizing the newest member of the Kennedy family, Father Gerry Creedon is a valued friend and a welcome spiritual presence in our lives. It is a privilege to have him here with us in the Senate today. We are grateful for his inspiring prayer as our guest Chaplain.

I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized.

SCHEDULE

Mr. SESSIONS. Mr. President, on behalf of the leader, I announce that the Senate will immediately resume consideration of S. 420, the Bankruptcy Reform Act. The Durbin amendment regarding lending practices is the pending amendment. Further amendments will be offered during today's session, and therefore votes will occur.

Members with amendments are again urged to work with the bill managers in an effort to finish the bill in a timely manner. Senators will be notified as soon as votes are scheduled.

RESERVATION OF LEADER TIME

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

BANKRUPTCY REFORM ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 420, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 420) to amend title 11, United States Code, and for other purposes.

Pending:

Durbin amendment No. 17, as modified, to discourage certain predatory lending practices.

Mr. SESSIONS. Mr. President, I ask unanimous consent that with respect to S. 420 there be debate only until 10:30 a.m.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. REID. Reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. I say to my friend from Alabama, the acting leader, there are a number of people who want to speak on the bill, probably not going past 10:30 a.m. This is a very important piece of legislation. We all recognize that. There have only been a few people who have had the opportunity to speak about the bill generally. I think it is totally appropriate that we talk about the bill until 10:30 a.m. There are others who will come at a later time, not to offer amendments but to speak about the bill.

Also, we are trying to work with the other side of the aisle. Senator LEAHY has indicated to me that he will be cooperative in trying to obtain some time late this afternoon a list of amendments. We will be working on that. Maybe we can come up with a list of amendments sometime later today which will give us some idea of what we face next week on this important legislation.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. SESSIONS. I thank the Senator. I do believe we need to move toward that eventuality. I thank him for his leadership.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. DURBIN. Reserving the right to object, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator from Illinois.

Mr. DURBIN. I have a pending amendment, and I wonder if the Senator from Alabama can tell me, it is my understanding someone is preparing either a second-degree amendment or a substitute; is the Senator from Alabama aware of that?

Mr. SESSIONS. I know Senator GRAMM is interested in your amendment. He has not arrived yet. We will talk with him as soon as he arrives and he can discuss that question.

Mr. DURBIN. I thank the Senator from Alabama. I continue to reserve my right to object. I am going to object to the waiving of the reading of any substitute or any second-degree amendment unless a copy is presented to me in advance. I will afford the same courtesy on any amendment which I offer on the floor. Those of us who would like to be prepared to debate this want to see the language of the amendment so we can be adequately prepared.

Mr. President, I do not object to the unanimous-consent request.

The ACTING PRESIDENT pro tempore. Is there further objection? Without objection, it is so ordered.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. SESSIONS. Mr. President, if the Senator will yield for a second. We have not received all amendments, I say to Senator DURBIN. It would be more appropriate for people to file their amendments so we can study them and be better prepared.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I want to speak for a few moments on the bill. I will mention the amendment offered by Senator DURBIN. I wanted to come over yesterday, but I was not able to find the time to do that, given the debate occurring on the floor.

I want to talk on the subject of bankruptcy. I have supported bankruptcy reforms in the Congress. I voted for them. I felt the pendulum on bankruptcy issues had swung a little too far to one side. I still feel that way, and I hope I will be able to support the legislation as it leaves the Senate. I suspect I will. I hope to support the legislation coming out of conference again this year. It is my hope to continue to support bankruptcy reform.

We no longer have debtor prisons in this country. We do not mark people who go into debt and cannot get out of debt with some indelible mark. We provide mechanisms by which people can get some relief for themselves and their families in circumstances where, beyond their control, they run into some financial trouble. That is as it should be.

As I said, the pendulum has swung too far. We have people now using the access of bankruptcy legislation and the laws we put on the books in some circumstances for convenience and in other circumstances in ways that injure others in a significant way.

There are clearly people who have been subject to substantial medical bills and other unforeseen circumstances well beyond their control who access bankruptcy laws in a way they are intended to be accessed. There are others who abuse them. I think all of us agree with that. Some load up with credit and find ways to stick others with the debt they incur and then rush to bankruptcy to say: Let me shed myself of this burden, and I will let others hold the bag. Many of them are small business men and women. What happens in those circumstances is unfair.

There is another side to this debate that I want to talk about for a moment. While I support bankruptcy reform and believe it is necessary and sound for this Congress to proceed in this direction, there is also, with the extension of credit in this country, a fair amount of greed and a substantial amount of unsound business practices.

The other day I was on the way to the Capitol in my car and had the radio on, and I heard another advertisement from a lending company. The advertisement said the following: Bad credit? No income? No documentation? Come see us for a loan.

I will say that again because it is worth remembering. This is a company that is advertising on the radio saying if you have bad credit, if you do not have any income and you do not have any documentation, come and get a loan from us. We have all seen the ads and heard the ads. Bad credit? No problem. Come our direction. We would like to give you a loan.

Our kids who begin college now find in their mailbox on the college campus

a preapproved credit card from many companies. They just wallpaper the college campuses, offering credit cards to kids who have no job and no income and then wonder why, when some of them use those credit cards and get in trouble, they cannot pay the bill.

Companies that say if you have bad credit, we will give you credit, if you have no job, we will give you a credit card, if you have no income, we will give you a credit card—they do it by the millions—and then they get into some difficulty and say to the Congress: Relieve us, will you, of these bad business practices; we have wallpapered America with credit cards and now some of them don't pay, so please help us—I have no sympathy for those companies and do not want to do anything that gives them comfort.

My 10-year-old son about 3 years ago—he is now 13, going to turn 14 next month—received a preapproved Diners Club card in the mail. I have spoken about that on the floor previously in a discussion about bankruptcy—a 10-year-old gets a solicitation from Diners Club for a preapproved credit card. He is now living in Paris under an assumed name. Not really.

When he saw that, he said: Dad, what does this mean?

I said: It means somebody is really stupid. You do not have a job, you are 10 years old, and they did not mean you ought to have a credit card. It does not matter to them. You are a bunch of letters. They send them to everybody. It does not matter the circumstance.

Diners Club, when they heard me speak about this on the floor because I read the letter and read the name of the person who signed the letter, actually contacted me and said: Oh, this was a mistake. Yes, I am sure it was a mistake.

There are mistakes all over the country: People getting credit card applications, preapproved credit card solicitations without any thought to who they are, where they are, how old they are, how much their income is, or even if they have an income. It is evidence of something gone wrong. It is unsound business practices.

In addition, if I had taken the time—and I did not on that particular preapproved credit card application—to read the terms and the conditions—and, indeed, you need glasses to do so because it is always on the back side—what I would have found, I am sure, in that circumstance with that company, and virtually every other, is they are imposing terms and conditions for the cost of credit that are outrageous. It should be called loansharking at the interest rates they charge.

Incidentally, on the front of most of these envelopes—and I get a lot of them, and I suspect most of my colleagues do and most Americans do. You open your mailbox and every day you find a piece of mail that says: We have a preapproved credit card waiting for you, and a big circle on the front of the envelope, 1.9-percent interest rate or 2.9-percent interest rate, and you open it up and read the fine print. What you discover is, yes, there is a period of 3 months or 6 months where they are going to charge a 1.9-percent interest rate, and then it goes to 18 percent or 22 percent or whatever their percentage is. The small type takes away what the big type gives.

My point is this: I am not interested in anybody crying crocodile tears for companies that exhibit that kind of unsound business practice and for companies that are so greedy for profits that they want to load everybody up with debt by sending them plastic cards, even those who have no income and no job. Now people say, but you need to be responsible; it is your fault if you use those cards. Sure, there is fault on both sides. My point is we are headed in the wrong direction. Those who engage in these practices need no relief, in my judgment, from this Congress.

My colleague, Senator DURBIN, is offering an amendment that is fairly simple. The credit card companies are resisting this aggressively. His amendment simply says, on the statement where it states their minimum payment, creditors must have a box that says if they make this minimum payment, here is how long it will take to pay off the bill. Often, it will be an eye-popping number. Make this minimum payment, they won't pay this off for 8 or 10 years. My colleague from Illinois is saying it makes sense to provide a little more information, truth in lending. I will support that amendment.

There is an amendment that tightens up on the homestead exemption. Frankly, we need to plug the loophole that deals with the homestead exemptions. We don't want people filing for bankruptcy ending up with $1 million or $2 million in a home that cannot be touched. There is an old saying: The water ain't going to clear up until you get the hogs out of the creek.

The hogs in this circumstance are the very companies that are asking for relief because they have ''blizzarded'' this country with credit card applications, and they should have known better.

As I indicated when I started, I intend to support bankruptcy legislation. I also intend to support amendments to perfect this legislation. When we send it to conference, as I believe we will, it is my fervent hope the conference will send back a conference report that has some balance, that recommends, I hope, that people not abuse bankruptcy legislation, that bankruptcy ought not be convenient or easy, that there is a burden with bankruptcy, but recognizes that some need bankruptcy. Some who have suffered unforeseen circumstances, perhaps devastating medical bills, through no fault of their own, need to have some relief from imposing burdens. I have met people like that with tears in their eyes and their chins quiver as they talk about the $150,000 medical bill for a child with whom they are saddled. And every month, in every way, they are besieged by bill collectors saying they must make good on this debt, a debt that had to do with their child's cancer treatment.

Should we find a way to help those people? Yes, there should be bankruptcy proceedings that allow those people to be able to shed themselves of part of that burden and to start anew.

But there are other stories that represent the abuse of bankruptcy and that stick Main Street retailers and others with burdens they should not have to bear.

As we adjust this pendulum on bankruptcy, we need to do it the right way. Today, I wanted to come, as I did a year and a half ago, to say there are those in my judgment who promote financial problems for some Americans by what I think is irresponsible behavior in the development of credit instruments that they then ''wallpaper'' America with.

Frankly, I don't think they deserve much relief. They don't deserve any relief. What they deserve to know is that many of us believe they ought to change their business practices and start sending credit cards to people who can pay the bill, who have income.

I know my colleague from New Jersey wants to speak. I hope to work with my colleagues on both sides of the aisle to see if we can perfect this bill. It is my intention to want to support this going out of the Senate and also out of the conference. I hope we can, coming out of conference, keep a couple of the key provisions the Senate has already expressed its will on with respect to homestead exemptions and predatory practices and more.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, we talked a good bit about credit cards, and the companies have been beaten up. They do make an awful lot of mistakes. As the Senator understands, if a credit card is offered to a person who is a minor and they were to even use it and buy goods with it, they could not be forced to pay the debt because it would be an invalid debt, but it does indicate some concern that people have about receiving solicitations for credit cards.

You could also see they are offering competitive choices in credit cards. Actually, for the first time in recent years, it seems to me credit card companies are beginning to compete against one another in offering better opportunities. I am not sure we ought to say that is a particularly evil thing that low-income people are offered an

opportunity to have a credit card that will allow them to replace the tire on their car when they may not have the cash in their pocket, and then pay for it over the next month. It is not a particularly bad thing.

The Banking Committee has jurisdiction over these issues. That is ultimately where they should be decided. The bankruptcy bill is here to create a system of bankruptcy courts in America, Federal courts, in how they conduct their business. Those issues are not, in my view, the issues that ought to be debated here but in a consideration of banking questions.

I yield to the Senator from New Jersey.

The PRESIDING OFFICER (Mr. ALLEN). The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, I thank the Senator from Alabama for yielding.

I rise in support of the bankruptcy reform bill. Indeed, for as many years as I have had the honor of serving in this institution, I have been rising in support of the bankruptcy bill. I am very honored in this cause to have worked with Senator GRASSLEY, who chaired this subcommittee when I was the ranking member on Judiciary. We worked for countless hours to craft a bill that was both balanced and fair. Indeed, this bankruptcy reform legislation already contains amendments from Senators DURBIN, SCHUMER, REID, and on both sides of the aisle Members who recognize there is a problem with the abuse of the bankruptcy system but wanted to make sure that consumers had every protection possible.

I am not here to state we have achieved the perfect legislation, nor that it is balanced in every respect. I can only suggest there is one thing upon which every Member of the Senate should be able to agree: it is that current bankruptcy laws are not working. It is an abuse to small and large business, creditors, and lenders. The system is broken. We benefit nothing by pretending otherwise.

While not perfect legislation, it is fair. And it provides for a functioning bankruptcy system for businesses and consumers alike. It is for that reason I believe after several attempts to pass this legislation, with the overwhelming support of a majority of Senators, Members of both political parties, and a President who appears now positioned to sign this bill, it is time at long last to get this done.

There are many Senators to be thanked before I go into the substance of the legislation. Having already mentioned Senator GRASSLEY, I also mention Senator BIDEN. This legislation is in some significant measure at his inspiration. He has, in my party, been my partner in crafting this bill and moving it to this position. Even before he became a Member of the Senate, Senator CARPER, then Governor CARPER of Delaware, was a major force a year ago in crafting this legislation. He is also to be thanked. Of course, all of this happened, as Senator GRASSLEY and I fashioned this legislation, under the leadership of Senator HATCH. I am grateful to him.

Indeed, although Senator LEAHY has expressed opposition to some provisions of this bill, to the extent that it has been improved in recent years, that is largely due to Senator LEAHY's own involvement.

Similarly, although Senator DURBIN has expressed reservations about many provisions, before I became the ranking member of the subcommittee Senator DURBIN was in this position. To the extent there are good consumer protection provisions in the legislation, it is largely at his design.

Those are all the hands that have touched the legislation and brought us to this point. Now Senator SESSIONS and I are here as two advocates of the bill to suggest its passage. I don't think either of us would argue that we have achieved every objective, simply that we are providing a better system that is more fair. As I think Senator SESSIONS has recognized, the reality is that in this country, no matter what provision you might like to change in the current code or in this legislation, you can broadly accept the principle: We have a problem.

In 1998 alone, nearly 1.5 million Americans sought bankruptcy protection. The United States was in the midst of the most significant large-scale economic expansion in the history of this Nation, or any nation, and 1.5 million Americans were availing themselves of bankruptcy protection. It is estimated that more than 70 percent of those bankruptcy filings were done in chapter 7, which provides relief for most unsecured debts. Conversely, only 30 percent were filed under chapter 13, which requires a repayment plan. For all the discussion and all the debate and all the delay, that, my colleagues, is the heart of the matter—the overwhelming majority of 1.5 million Americans seeking virtually complete relief from their financial obligations rather than entering into a repayment plan, although they have the means to repay some of their debts.

The Department of Justice actually reviewed these filings under chapter 7 rather than chapter 13, and came to the conclusion that 13 percent of debtors filing in chapter 7, or 182,000 people each year, actually had the financial means to repay their debts. That means $4 billion could have been paid back to creditors. It was not paid—it was lost, although there was the means to repay it—because the law was being abused.

It has been said on this floor that that was money lost to large credit card companies and huge banks, major financial institutions. No doubt there are large companies, private and public, that would have received some of this $4 billion back each year. But they do not stand alone; they were not the only ones abused. I do not rise today primarily in their interests.

How about the small business owner, the retailer on Main Street who has a small profit margin on the clothing he sells or the hardware? When some declare complete bankruptcy, although they could have repaid their debt, those small business owners have lost their product. They made a sale that they thought would go to pay their debts, only to have someone file bankruptcy, and they lose all the revenue. They have no reserves. They have no place else to go. How about their family? Their business could be lost, and indeed every year those businesses are lost, family businesses that are abused by the misuse of the bankruptcy system.

How about the small contractor, the plumber, the carpenter, or the electrician who gives his labor, the sweat of his brow, even the products he buys and resells, to have someone declare bankruptcy and walk away from all their obligations? Although their labor has been taken and the product they sold is gone, they are left with a debt, but the abuse of the bankruptcy system leaves them and their family faced with bankruptcy.

It may be true that if this bill is passed, the major banks in New York or the major credit card companies may benefit. Indeed, if the law is being abused to their disadvantage and they are losing the resources of their stockholders or their employees, I make no apologies that this bill helps them deal with an abuse. But they do not stand alone. Overwhelmingly, proportionally, the principal benefit will go to other small businesspeople.

I hear Members on this floor almost every day claiming that they stand with the small businessperson, the family company, the middle-class family, the working men. Here is your opportunity. How many of those plumbers and electricians and small retailers, mom-and-pop stores, will not make it through this year because someone takes their labors or their products falsely, declares bankruptcy, abuses the system even though they had the resources, as the Department of Justice has demonstrated, to pay their bills? Rather than words of encouragement, how about your vote in support of those small businesses?

Then the critics will argue: You may be helping small business, but surely this is a problem for the poor. I have suggested for 4 years, and I will say so again today, with all respect to my colleagues who oppose this bill we have so carefully drafted, that is simply just not true. What this legislation does is assure that those with the ability to repay a portion of their debts do so.

No Americans are so poor or undefended or powerless that they are denied access to bankruptcy under this bill. We have done this by changing the legislation through the years. This is not the legislation that began in this process 4 years ago. We accomplish this goal by establishing a flexible yet efficient screen to move debtors with the ability to repay a portion of their debt into a repayment scheme. If you are poor, if you have no ability to repay, your status will not be changed; your debts will be discharged. The bill provides judicial discretion to assure that no one who is genuinely in need of debt relief will be prevented from receiving what every American deserves—a fresh start.

This is a second-chance society. If you fail through no fault of your own—or, indeed, even if it is your fault—and you have no ability to repay, your debts will be discharged and every bankruptcy judge in America will have the discretion to ensure that protection remains. No matter how many times a Senator comes to this floor and says to the contrary, it just is not so.

Critics have argued the bill also places an unfair burden on women and single-parent families. Not by my authorship. It is not true; it is not right; and I would not be standing here today if there were an element of truth to it. It is unfounded.

The bill contains an amendment that Senator HATCH and I offered a year ago that not only ensures women and children are not in an adverse position they are now in a superior position. The Hatch-Torricelli amendment facilitates child support collection by making it easier for the person to whom support is owed to obtain information on the debtor's whereabouts.

The ability of a father who walked out on a wife and a child under current bankruptcy law and hides will no longer be possible. Under the Hatch-Torricelli amendment, we will find you. That information is available, and you will be forced to meet your obligation.

The bill also provides that the status of women and children under the current law is further enhanced. Under current bankruptcy law, women and children seeking support are seventh in line after rent, storage, accountant fees, and tax claims. Every one of those stands before a child today in need of child support from their father. That is the current law. If you vote against this bill, that is the law you are voting to maintain.

Don't suggest that Senator GRASSLEY, Senator HATCH, or Senator BIDEN, or I will come to this floor with something that does not enhance the welfare of a wife, a parent, or a child. Indeed, it is the opposite. We take those children from seventh in line in bankruptcy under current law to first. No landlord is ahead of you, no government, no accountant, and no lawyer. You get first claim on whatever revenue remains.

In addition to these child support protections, the bill includes other provisions designed to assure protection for other vulnerable aspects of American society.

One that is the most important to me that I helped put in this legislation is for those in nursing homes. There is a plague of nursing home bankruptcies in America. When a nursing home goes bankrupt, this legislation requires that an ombudsman be appointed to act as an advocate for the patient; that those who are left vulnerable in the nursing home have someone representing them in the process. They have the greatest stake in bankruptcy. The patients are the most vulnerable. Under current law, they have no one and they have nothing. If you oppose this bill, you are voting to maintain that vulnerability. Under provisions that I helped put in this legislation, that now ends.

We provide clear and specific rules for disposing of patients' records so that in bankruptcy the records of those in the nursing home will not become the public property of creditors, but it is protected. These provisions could not be more important under current circumstances with rising bankruptcy and the vulnerability of nursing home patients.

One nursing home company alone recently with 300 homes went bankrupt leaving 37,000 people without beds, without protection, and without an advocate when it went bankrupt. That will not happen again under this legislation.

Finally, and perhaps most importantly, it was always my goal—from the original introduction of this legislation in our debates in the Judiciary Committee under Senators HATCH and LEAHY to the floor that there be consumer protection in this bankruptcy bill. It was not enough to provide fair bankruptcy protection for the industry which was losing money due to unnecessary bankruptcy. It was not enough to provide protections for the poor, for families, and for children. Real bankruptcy reform must contain consumer protection. Indeed, no aspect of the bill has been amended more or changed more significantly than the consumer protection provisions of bankruptcy reform. That is as it should be.

The credit card industry sends out some 3.5 billion solicitations a year. Senator DORGAN and Senator DURBIN have spoken about this, to their credit, at length. Much of their criticism is well founded. These solicitations by the credit card industry are more than 41 mailings for every American household—14 for every man, woman, and child in the country. It is an avalanche of solicitations with an invitation for a mountain of debt.

But it is not merely the volume of the solicitation. It is also those who are targeted for this availability of debt. High school student and college student solicitations are at record levels. What happened to Senator DORGAN is not unusual. Children everywhere are being invited to participate in the American habit of addiction to debt.

It is not surprising, therefore, that the poor, along with the young, have sometimes been victimized by these practices. Since the early nineties, Americans with incomes below the poverty line have had their credit card usage double. The result is not at all surprising. Twenty-seven percent of families earning less than $10,000 have consumer debt that is more than 40 percent of their income. These families have virtually no chance to get out of debt, and the interest payments consume what is required to maintain the lives of their families.

What is important is that we deal with these abuses by consumer information, by full disclosure; that we strike a balance that we are not unfairly denying the young or the poor credit when they need it, want it, and deserve it for business opportunities, for education, and to deal with crises in their families. That is the balance we tried to strike in this bill. We achieve nothing by denying the poor or the young the credit they need for their own means as long as we give them the information so that they understand the situation and for protecting against the abuse.

I believe we have struck a balance. It is not as I would have written the bill personally. But in legislation and in an institution where both political parties evenly share power, I believe it is the best we can do. Most importantly, it is far better than the current law.

The bill now requires lenders to prominently disclose:

One, the effect of making only the minimum payment on the account each month. That is not in the current law. If you vote against this bill, you are voting that we will continue not to give people information. We require it in this bill, and it is a significant advantage.

Two, when late fees will be imposed so people understand the consequences of not making their payments;

Three, the date on which an introduction or teaser rate will expire as well as what the permanent rate will be at that time.

This is potentially the greatest abuse of the consumer who believes they are getting an interest rate at a very low level only to discover that they expire quickly and they are subjected to a higher rate that they cannot pay or maintain.

In addition, the bill prohibits the cancelling of an account because the consumer pays the balance in full each month and avoids incurring the finance charge. We are, indeed, encouraging that kind of payment and avoidance of

debt and interest charges. That, we believe, makes sense for the American consumer.

There is not every degree of consumer protection that all of us would like, but no one can credibly argue that current law compared with this legislation is superior. It is much superior.

Finally, let me raise the issue that was the focus of great debate in the last Congress—the question of whether debtors seek to discharge the judgment they owe because of their violence against abortion clinics.

I believe because of the efforts of Senator SCHUMER and Senator HATCH language assuring that those debts cannot be avoided is now in this bill, and in my judgment, satisfactory to warrant, for those of us who are concerned about abortion clinic violence and the protection of women's rights, fair and balanced legislation.

So I urge the adoption, at long last, after years of work on a bipartisan basis, of this important bankruptcy reform. There are not a few Members but an overwhelming number of Senators who have amendments, changes of laws, and their considerations in this legislation.

I am, again, very indebted to Senators GRASSLEY, HATCH, LEAHY, and BIDEN for their extraordinary efforts that have brought this bill to fruition. And I am very proud to join with Senator GRASSLEY as the principal coauthor and Democratic sponsor of this important legislation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. I thank the Senator from New Jersey.

The Senator from Texas, Mr. GRAMM.

Mr. GRAMM. Mr. President, I wanted to come over this morning and talk about an amendment offered by Senator DURBIN. I am opposed to this amendment. I believe, if adopted, this amendment would do great harm to people in America who are trying to borrow money but do not have perfect credit ratings. And, as a result, this amendment would deny access to the American dream for millions of people who are fulfilling that desire today.

In addition, I do not believe that the amendment is well intended in that I sense it is really aimed at disrupting the bankruptcy bill. But, beyond that, the amendment is very dangerous. I hope my colleagues and their staffs, as we move toward a vote on this amendment, will listen to what I have to say because it is very important that we understand this amendment in context and the very real harm it would cause.

When a major piece of legislation, such as the bankruptcy bill, is before the Senate, there is a natural tendency for those opposed to the bill to just throw things into it, much as somebody would throw rocks at a car or take other action to disrupt things. But the problem is, these kinds of amendments have consequences.

No one in the Senate doubts that the bankruptcy bill is going to become law. So I would urge Senators, whether they are for this bankruptcy bill or not, to take a long, hard look at the Durbin amendment to determine whether they want to risk the possibility of such a dangerous provision becoming the law of the land.

Finally, before I explain this whole issue in some detail, let me say there are few subjects that are less well understood than subprime lending. In fact, the title ''subprime'' is counterintuitive—it creates the impression that you are borrowing below prime, when subprime means, in fact, you are paying above prime interest rates because you do not qualify for prime lending.

So let me begin by talking about the Durbin amendment and what it does. I want to explain why it is dangerous, and then I want to call on my colleagues, whether they are for the bankruptcy bill or not, to join Senator HATCH and others in tabling this amendment.

Let me make clear, this amendment is not going to become the law of the land. This amendment is not going to be ultimately in the law books of this country because it will hurt millions of people whom we should not be hurting.

First, let me begin by defining subprime lending. Subprime lending is basically lending that is made to people who do not have established credit ratings or who have problem credit ratings.

There are people who would like to pass a law, I am sure, to say you cannot lend to people above prime lending rates. If such a law were passed, the net result would be that tens of millions of people would never be able to borrow money through established channels. They would be forced to go into the sort of black market of lending where you borrow from your kin folks when you do not have access to credit. Subprime lending has a bad name, but unjustifiably so, in my opinion.

When I was a boy, my mama wanted to buy a home. She borrowed the money from a finance company, and she paid 4.5 percent interest. Gosh, that sounds low today. But in the 1950s, that was 50 percent above prime because banks were lending money at 3 percent. So you might say my mama was exploited by a subprime loan because she was forced to pay 4.5 percent interest whereas other people living in the town where I grew up were able to borrow at 3 percent.

But my mama was a single mom. She was a practical nurse who was on call but did not have an established employer. The plain truth is, in that day and time, banks did not lend money to people like my mother.

The rest of the story is that by getting this subprime loan, even though she paid 50 percent above prime, my mother became the first person in her family, I guess from Adam and Eve, ever to own the dwelling in which she lived. And I think it is interesting that all of her children have owned their own homes.

Some people look at subprime lending and see evil. I look at subprime lending, and I see the American dream in action. My mother lived it as a result of a finance company making a mortgage loan that a bank would not make.

We are getting more people involved in subprime lending in America. As a result, the margin between what people with good credit pay and what people with troubled credit or no established credit pay is beginning to narrow. The Durbin amendment would discourage people from getting into subprime lending and would make it more difficult and more expensive for people to borrow.

If you read the Durbin amendment—well, gosh, it just looks wonderful. What it says is, if you are borrowing money at a subprime rate and the person making the loan commits a material failure to comply with—and then it lists an alphabet soup of provisions—then the loan will be forgiven.

Let me explain what these provisions are. I think when you look at them, you see how dangerous this provision would be.

One of the provisions of law—if you fail to comply with it, that would mean, in essence, the loan would be free and you would not have to pay it back—says that if I am going to give you, over the telephone, information about the loan, I have to file, in writing, in advance, that such a communication is going to take place.

Do we really want a provision of law that says if I am a lender, and I am lending you money to buy a home, and I fail to file in writing that we are going to be going over some of the terms on the telephone, that you should not have to pay back the loan? Does anybody think that makes sense?

Another provision has to do with notification in advance. And under law, you are required to notify people of the terms of the loan 3 days in advance of when the actual transaction is going to occur.

Does anybody here believe that if you made a mistake in making the loan, and you notified people 2 days in advance, they should be empowered simply not to pay the loan back? Does anybody think that would be good public policy?

And finally, and perhaps most destructively, for the first time, this amendment would give the borrower an incentive to game the system and try to entice the lender into making a mistake. For example, suppose the lender makes an error in complying with any

one of the numerous, different provisions of statute—either timing of notification, or notification in writing that telephone communications are going to be made—or the borrower creates, by refusing to send information back or by disrupting the normal process, a confrontation between the borrower and the lender, should the borrower benefit by having the loan forgiven?

Does anybody doubt that under these circumstances there would be an incentive for some borrowers to help create noncompliance with these provisions—or look for such noncompliance at a later date? At a time when millions of Americans now have an opportunity to own their first home, buy an automobile, send their children to college, do we really want a provision of law that will pit the borrower and the lender in a gamesmanship situation where, if the lender makes a mistake or can be enticed to do so, the loan is forgiven? Surely, no one could believe this is good public policy, whether you are for the underlying bankruptcy bill or not.

Secondly, it is not as if there are not already sufficient penalties for violating all these provisions of law. Let me read the penalties.

The penalties for violating these provisions of law that are referred to in the Durbin amendment read as follows:

> Impose a civil money penalty ranging from $5,500 to more than $1 million for each day of violation.

Does $1 million a day sound like a penalty to you? It does to me. One million dollars a day would have a profound impact on every lender in my hometown in College Station. I don't know about New York, but my guess is no one anywhere would like to give up $1 million a day.

Termination of a bank's charter; subject a bank to an enforcement agreement which could include restriction on the ability of the bank to expand and grow—those are very severe penalties—subject directors and officers to removal. Finally, there is the penalty of a temporary or permanent injunction against the illegal activities.

It is not as if our truth in lending laws are toothless. The plain truth is, these are some of the more severe monetary penalties that exist in the civil laws of this country.

I urge my colleagues to reject this amendment. I ask them to reject it for the following reasons: First, it has nothing to do with the bankruptcy bill. It is an amendment aimed at derailing the bankruptcy bill.

I understand being opposed to legislation. From time to time, I have been called upon by my constituents and my conscience to try to derail legislation I thought was bad. I understand that, and I respect it.

But I urge my colleagues, whether they are for the bankruptcy bill or not, not to vote for a provision which will be very destructive of home mortgage lending for people who find the greatest difficulty in getting a mortgage; that is, people who don't have established credit or who have troubled credit.

The biggest problem of all I save for last, and that is, we wouldn't just drive up the cost of lending with this amendment, where every bank or every lending institution has to realize that a technical error—the failure to notify in writing before they talk to somebody on the phone, or the failure to give a 3-day notice, any one of these errors—could mean the loan is uncollectible. What do you think that is going to mean? It is going to mean that thousands of lenders are going to get out of the subprime lending area exactly at the moment in history when more and more lenders are getting into it.

When they get into it, rates come down; when they get out of it, rates go up. Anybody who ever took freshman economics could understand that.

Thousands of lending institutions in America are going to look at the Durbin amendment and realize that an error—and it is not required that they intended to commit the violation; there is no provision in the amendment that there be intent, but just an error that is somewhat material, such as notifying 2 days ahead of time instead of 3 days ahead of time what is going to be in a closing, for example—makes the loan uncollectible. And when that happens, thousands of lenders who are lending today to people with troubled credit, giving them an opportunity to own a home, clean up their credit record and become part of mainstream America, are going to quit lending. Nobody with good sense can argue otherwise.

If I were running a little bank in College Station, and I could have a loan made uncollectible because of an error I made where there was no intention to make the error, I would stop making those kinds of loans. There are plenty of prime loans that can be made to people with good credit.

The second thing that is going to happen is, even the financial institutions that can afford to incur these risks are going to charge higher interest rates because the risk has to be incurred.

What is the net result of the Durbin amendment, if it were adopted? The net result is fewer institutions will be making subprime loans, fewer Americans with no established credit or with troubled credit will be able to get mortgages, and when they do, there will be higher costs to get those mortgages. That is what this amendment is about.

Finally, let me address the vast majority of Members of the Senate who are for the bankruptcy bill. This amendment is not going to become law. If this amendment is adopted, we are going to have a conference, and we are going to have to go through this long process which could end up derailing the bankruptcy bill. I am sure many people who are for this amendment hope that happens. My guess is we can fix it but only after a tremendous amount of work. In addition, we voted on this very amendment when we considered this bill last year, and we rejected it.

We have written many provisions into the bill to try to satisfy those who really blame lenders for bankruptcy instead of borrowers, some of which are not good public policy. However, in terms of trying to satisfy people, which is necessary to pass a big bill such as this, as chairman of the Banking Committee, I have tried to reach an accommodation.

This amendment, A, is dangerous; B, it would hurt people who want to own their own homes; C, it will mean we will have a lot more bad amendments offered that won't be offered if we reject this amendment.

It is my understanding that Senator HATCH or Senator GRASSLEY intends to move to table this amendment. I urge my colleagues to look at this amendment very carefully, look at the points I have made, and reject this amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The Chair advises that the pending business is the Durbin amendment No. 17.

Mr. BROWNBACK. Mr. President, I rise to address the bankruptcy bill that is before the Senate, and in particular a provision that is in this overall compromise language that is being brought in front of the body, something I want to point out to a number of my colleagues.

Overall, I believe this legislation is a good piece of legislation. We have worked hard on it. We have worked for a number of years on it. We have worked to be able to craft this bill. The conference report passed with over 70 votes, which is a substantial vote, and the agreement of a number of people.

One of the pieces of the compromise was the homestead compromise and matters regarding the homestead provisions.

This is when you go into bankruptcy, what amount of property that is considered your homestead can be protected in bankruptcy, if you do not have a direct loan against it or purchase money loan against your house and a contiguous acreage, or in the case of a farm home and 160 contiguous acres. This is a very important compromise in the current bill, and I seek to keep this compromise language and not for that to be changed.

Kansas, along with other States, has within our State constitution the protection of homesteads. It dates back to

the days when we had the Homestead Act, when you could go out West and settle, and if you farmed it for 5 years, 160 acres, you could keep it. It was yours. The way we settled much of the West was if you tame the 160 acres for 5 years, it was yours. Built within our constitution is the statement that if you don't borrow directly against this land, if you keep it clear and free of other loans and you go through bankruptcy, you can keep this.

Back in a prior lifetime, I was a practicing lawyer. I examined a number of abstracts. We would go through farm cycles where prices would be good and they would go down. Then a number of people would borrow and they would lose everything they had except their homestead. They could rebuild the farm based on that.

You could go through abstracts of land titles and find that here was a case where a guy borrowed this, this, and this, and he didn't borrow against the homestead. He lost everything else but not the homestead. He rebuilt from that. It almost followed the farm cycle with farm prices.

So the homestead provision within the bankruptcy code in allowing States to have their homestead provision, as opposed to a federalized homestead provision, is very important to my State, to me, and to a number of States that have this type of homestead provision in their State law or, more so, in my home State constitution. This has been in Kansas's constitution—or a provision of this—dating back to 1859, and going back even to territorial days in Kansas. Many farmers have used this law during economic hardship to protect their farms, their homes.

We worked hard last year and this year to get a compromise because a number of people don't like each State having its own homestead. They think there was fraud from some people who were moving to another State to take advantage of the homestead laws that might be easier in one State or another. We worked to get a compromise to work this out.

I want to put this out. Other people want to speak on this, and this is a very important point to me and my State. The compromise we put into the bill, some people wanted to change this and others wanted to protect States rights. The current bill provides that within the 2 years prior to bankruptcy, no one may protect more than $100,000 worth of new equity obtained in one's homestead. You have 2 years, $100,000. This would prevent debtors from shifting assets into their homes to avoid creditors.

Studies have shown that abuse of State homestead laws is very rare. Yet we are overturning over 130 years of bankruptcy law by imposing Federal standards—this would be the first time we have done Federal standards on homestead in bankruptcy law. In 130 years of bankruptcy law, this would be the first time we have done it. We should not do that, particularly based on such scant evidence.

Seven States have constitutional provisions that are different from the $100,000 homestead cap that may be offered by someone on the floor, just across the board. Somebody was saying a $125,000 homestead cap. Either one would take and federalize State law, State constitutional law—constitutional law—if we go with this homestead cap that some propose, based upon anecdotal evidence of some abuse of this.

If there is fraud involved in moving from one State to another one, and taking money to put it into a bigger homestead to protect it, that can be set aside now by the bankruptcy court under a fraudulent practice, and it frequently is. That is the way that is done.

I urge my colleagues not to federalize this area that has been under the control of the States, that is in State constitutional law in my State and in seven other States. If this is passed, a number of us will say this is not something we can tolerate or work with at all. This is something that would cause a number of us to work against the bill. Some want to get the bill off and don't want it to pass anyway. Maybe that makes this a better provision to them, but I don't think this is one that we ought to be doing at all for the first time ever. It is one that I vigorously oppose—if an amendment is proposed to change the compromise that is in the bankruptcy bill currently on the floor.

I urge my colleagues to vote against any change in this homestead provision away from what is crafted in this carefully balanced legislation we have before us.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I will be very brief.

All Members of the Senate have, by nature, two residences—in our home States, of course, and wherever they reside during the time we are in session serving in the Senate.

I feel very fortunate to have my residence in Vermont, a beautiful State. It is out in the country on a dirt road with a gorgeous view. I also am fortunate that my residence here is in the Commonwealth of Virginia. In that regard, I believe I am represented, at least temporarily, by two friends from Virginia, the distinguished senior Senator, Mr. WARNER, whom I have known for decades and with whom I have been close personal friends, and the current occupant of the Chair, the newest Senator from Virginia, a former Governor, Mr. ALLEN. In that regard, I wish a happy birthday to the current occupant of the Chair, Senator ALLEN, and wish him many more such birthdays. I realize that he is in a difficult position. Under the rule, he cannot respond to this. But I did want to do that and tell him how much my family and I enjoy our temporary residence in the beautiful Commonwealth of Virginia.

Mr. President, I am going to offer, at some appropriate point, two amendments. I understand that the distinguished chairman and others have adopted this basically no-amendment posture. They can always vote these down. But one of my amendments would clarify when a debtor's current monthly income should be measured. The current monthly income is a cornerstone of the bill's controversial means test provision. No matter whether one is for or against the means test, the provision should be at least as clearly drafted as possible. My amendment would avoid unnecessary future litigation by clarifying that current monthly income is measured from the last day of the calendar month immediately preceding the bankruptcy filing.

Under section 102 of the bill, a presumption of abuse—requiring dismissal of the bankruptcy case or conversion to chapter 13—arises when a chapter 7 debtor has a defined level of ''current monthly income'' available, after necessary expenses, to pay general unsecured debt. ''Current monthly income'' is defined in the bill as the debtor's ''average monthly income . . . derived during the 6-month period preceding the date of determination.'' It is ambiguous in defining what that 6-month period is.

Since accuracy of the schedule is of vital importance, and subject to audit, it is important that we know exactly what it is. My amendment would resolve the ambiguity and deal with full calendar months of income data, and to give a cutoff date prior to the bankruptcy filing.

My other amendment would be on the separated spouse and the means test safe harbor. On page 17, line 8, the language should mirror the other safe harbor provisions in the bill. The way it is set up in the bill, as currently drafted, is provided by the distinguished chairman, the distinguished senior Senator from Delaware, and others. Even though parents might legally be separated, if one spouse files for bankruptcy, the income of the other spouse would count to determine whether the parent's income exceeds the means test for the purposes of the safe harbor, for access to chapter 7.

What this means is if a battered spouse flees her home with her children, she can be denied bankruptcy relief regardless of her circumstances because in the Hatch-Biden, et al, bill, her husband's income would be counted, even though she receives no money from him.

I cannot think of anything that is more antiwoman, antichild, or antifamily.

I ask unanimous consent that my two amendments be filed and be available for consideration at the appropriate time and in the appropriate sequence because I do want to correct this antiwoman, antichild, and antifamily result, something I do not think is intended by the drafters of the bankruptcy law, but it is just one more example of some of the things that should be corrected in this bill.

The PRESIDING OFFICER. The Senator has the right to submit those amendments.

The Senator from Illinois, Mr. DURBIN.

AMENDMENT NO. 17, AS MODIFIED

Mr. DURBIN. Mr. President, I join the Senator from Vermont in wishing the Presiding Officer a happy birthday and say this great opportunity you have to sit as Presiding Officer of the Senate and listen to these wonderful speeches has to be the greatest gift we can offer you. We wish you the very best in the years to come.

The pending amendment is an amendment to the bankruptcy reform bill relative to the practice of predatory lending. Predators, you may recall from having watched a few movies, are those who prey on other things. In this case, we have people offering credit in a predatory fashion.

Who are these folks? You have heard about them. They are the people who look for the retirees, the widows who are living by themselves in the home they saved up for their entire lives, who are brought into some mortgage scheme or second mortgage scheme and end up signing papers that are, frankly, a very bad deal. They end up paying interest rates far above the market rate. They face the possibility of balloon payments that are impossible for them to make so they can secure a few dollars for perhaps consolidating some other loans or home improvements.

Time after time, these predatory lenders look for the elderly. They look for low-income people. They go to poor neighborhoods and seek out folks with limited knowledge of the law or a limited understanding of English. They have them sign these papers, and literally they watch their lives disappear. Everything they have saved up for in a lifetime ends up disappearing because of these con artists who claim to be creditors offering them money under terms which are not reasonable by any standard in America.

Is this a rare situation? Unfortunately, it is a growing phenomenon in this country. We see these people going forward offering what is known as subprime lending and subprime mortgages.

They argue in the industry that these people are not good credit risks, so you cannot give them the ordinary interest rates and terms; you have to make it a little tougher. I understand that. We do not want to close out the market for people who are on the edges of credit availability. We want to make certain they have access, too.

Believe me, the cases that have been documented time and again in the Senate and the House of Representatives, in State after State, are not those cases. The creditors are not lending to folks on the edge. These are people who are pushing these poor elderly and retired folks over the edge. A lifetime of savings for a home that a widow is living in absolutely vanishes when these con artists get a chance.

Where do they finally get their relief? If not through foreclosure in civil courts, in bankruptcy court. When that elderly widow has lost everything, cannot make any payments whatsoever, and finally goes to bankruptcy court and says, I just cannot do it anymore, guess who is standing first in line to get paid in full? These sharks, these people who time and again have taken advantage of the poor and the elderly across America.

A lot of people have come to me since I offered this amendment and have said: We just got contacted by the finance industry. The banks of this country are worried about your amendment. They are opposed to your amendment. They think you are going to create some real hardship in their industry.

The answer is, yes, I am going to create hardship in their industry with this amendment, hardship for the people who are giving their industry a bad name. If it is a good bank, if it is a good mortgage lender, if it is following the law of our country, they need not fear the Durbin amendment. The Durbin amendment is going after the bad actors and bad players, and the people who are opposing it in so many different ways are trying to shield the people who are violating the law and making these bad loans.

The people who are opposing my amendment and want to table it in a vote later today are those who want to make certain that the people taking advantage of the poorest and most vulnerable Americans are protected in bankruptcy court.

My amendment says explicitly that in order to be stopped from recovering in bankruptcy court, you must have violated the law—a material violation of the law, not something technical—a material violation of the law. I happen to believe that before you can walk into a court, you have to have clean hands, and the clean hands suggest that if I am coming into court and I want to recover under my contract, I have obeyed the law and followed it in all of my dealings.

It sounds pretty basic to me. It is a threshold question that should be asked of anyone in bankruptcy court, but if you listen to the opponents of my amendment, they say: No way. You may have violated every law on the book to get into bankruptcy court, but once you are there, you are under the protective shield of the U.S. Government. You are able to use our bankruptcy laws and our bankruptcy courts to reach miserable ends when it comes to the poor people who have been exploited.

It is amazing to me that at this stage in this prosperity we have enjoyed in our economy and all the things that have happened in America, we still have Members of the Senate and House of Representatives who are coming to the rescue of these bottom feeders in the credit industry. They are standing here defending them and giving them a chance to continue to exploit some of the poorest people, some of the most vulnerable people, in America.

Some say: DURBIN, there you go again; you are exaggerating this; it is not such a big problem. Let me tell you a few things I have learned in the course of preparing this amendment.

A group in Chicago—I represent the State of Illinois—I take a look at their information from time to time. It is called the National Training and Information Center. In September 1999, they took a look at the mortgage foreclosures in my home State. The Chicagoland home loan foreclosures doubled, increasing from 2,074 in 1993 to 3,964 in 1998. In a 5-year period of time, a prosperous time in America, mortgage foreclosures doubled in the Chicagoland area. The greatest percentage was in the suburbs, not in the inner city.

The increase in foreclosures in my State corresponds to the increase in originations by subprime lenders, not home loan originations. Loans by subprime lenders, the people about whom I am talking, increased from 3,137 in 1991 to 50,953 in 1997, a 1,524-percent increase.

Subprime lenders and services were responsible for 30 foreclosures in 1993. This number skyrocketed to 1,417 in 1998, a 4,623-percent increase.

Subprime lenders and services were responsible for 1.4 percent of foreclosures in 1993 and 35.7 percent in 1998.

The people who oppose my amendment say: Let the free market work; let the buyer beware; there are plenty of laws on the books. But these statistics tell the story. The people who are taking advantage of the most vulnerable—the widows, the elderly—are doing quite well, thank you. What do they end up with after they have gone through their nefarious scheme? The home a person has worked a lifetime to own, to live in, to retire in, to feel safe in.

The people who oppose my amendment say we need to protect these subprime lenders. The opponents of my amendment want to ignore the reality

of what is happening. Subprime lending increases dramatically, mortgage foreclosures increase dramatically, and these subprime lenders go into bankruptcy courts and take homes away from Americans, and the people who oppose my amendment on the Senate floor say: Look the other way, this is the market at work, Senator; don't stick your nose into it.

I think this Senate ought to come to the aid of people who don't have the lobbyists sitting in the lobby of the Senate just outside that door. We ought to be considering people who can't afford to bring lobbyists to the Senate. We ought to consider the people who worked hard to make America a great nation, obeyed the laws, paid their taxes, had their small savings account and looked forward to their security and retirement in that little home, and then they were preyed upon and exploited by these people. These people want to walk into our bankruptcy courts and use the laws of the bankruptcy system in order to recover that home and take it away from someone.

Watch the vote on the motion to table the Durbin amendment and you will see a long line of Senators who will stand up and say these subprime lenders deserve the protection of the law. The Durbin amendment says pointblank they will be disqualified from using the bankruptcy court if they have materially violated the law in order to obtain this mortgage. That is what this debate is all about. This is a test of a number of things about the Senate: How many people care about consumers in this place? How many people are dedicated to business interests, regardless of whether they are unethical and unscrupulous?

Mr. GRAMM. Point of order.

Is the Senator suggesting that Members of the Senate are not voting their conscience on this bill? Is the Senator suggesting that there are Members who are voting for special interests instead of what they believe in? If so, that is a violation of the rules of the Senate.

Mr. DURBIN. I would like to respond to the Senator from Texas. Those who want to take the side of the financial industry in opposition to this amendment should be held accountable for the fact that they are turning their backs on consumers. I do not question the motive of any Senator and his vote, but the Senator knows as well as I do how this is lined up: Consumers on one side, banks on the other side.

Let me state what is at stake here are credit practices that no one in the Senate should condone; frankly, no reputable bank or financial institution should condone. If you are a bank or an institution following the law of this Nation, making certain your people issue loans that are reasonable and in compliance with the law, you have nothing to fear from this amendment. But if you are a fly-by-night storefront operation exploiting poor people and the elderly in this country, you bet this amendment makes you nervous, and it should. Because it means that ultimately the bankruptcy court will not be there as your court of last resort.

The subprime mortgage industry offers home mortgage loans to high-risk borrowers—I acknowledge that—loans carrying far greater interest rates and fees than conventional and carrying extremely high profit margins. Yesterday I went through some of the cases which you would not believe, cases where they took people on a modest Social Security income of $500 a month, lured them into signing up for second mortgages and mortgages on their home with payments they could never afford to make, with balloon payments down the line of $40,000 and $50,000, impossible for these poor people to make, and then when they get in so deeply they couldn't see daylight, they said, we have a new idea, we are going to refinance your original loan. And guess what. They dug a deeper hole for these poor people, and ultimately they lost everything. They went into the bankruptcy court saying, we want you as a judge in bankruptcy, to give us a right to take this home away.

According to the Mortgage Market Statistical Annual for 2000, subprime loan originations increased from $35 billion in 1994 to $160 billion in 1999. As a percentage of all mortgage originations, the subprime market share increased from less than 5 percent in 1994 to almost 13 percent in 1999. By 1999, outstanding subprime mortgages amounted to $370 billion. The data also shows a substantial growth in subprime lending. The number of home purchase and refinance loans that have been reported by lenders specializing in subprime lending increased almost tenfold between 1993 and 1998, from 104,000 to 997,000. The number of subprime refinance loans also increased during that period from 80,000 to 790,000.

The growth of this type of lending should be of concern to every person in America, not just on the issue but because the victims involved are our parents, our grandparents, the neighbor down the block, the widow trying to make a meager living. They are being preyed on by these people.

The growth of the subprime lending industry is of concern first, because of the reprehensible tactics called predatory lending practices which some of the companies use to conduct their business; and second, because of the people, the senior citizens and the low income, the financially vulnerable, who they often target with loans.

According to the 1998 data, low-income borrowers accounted for 41 percent of subprime refinance mortgages. African-American borrowers accounted for 19 percent of all subprime refinance loans.

I would like to give some additional information about the situation in my home State of Illinois and in the city of Chicago. In an April 2000 study released by the Department of Housing and Urban Development, subprime loans were over eight times as likely to be in predominantly black neighborhoods in Chicago than in white neighborhoods. In predominantly black neighborhoods in Chicago, subprime lending accounted for 52 percent of home refinance loans originated during 1998, compared with 6 percent in predominantly white neighborhoods.

Now, subprime somehow sounds as if it is a deal. If it is a subprime loan, it is under conditions, interest rates, and terms far worse than any people would face in the normal course of business. Homeowners in middle-income predominantly black neighborhoods in Chicago are six times as likely as homeowners in middle-income white neighborhoods to have subprime loans. In 1998, only 8 percent of the borrowers in middle-income white neighborhoods obtained subprime refinance loans; 48 percent of borrowers in middle-income black neighborhoods refinanced in the subprime market.

We had a hearing recently on Capitol Hill in one of the Senate subcommittees of the Governmental Affairs Committee and brought in people and let them tell the story. Imagine the situation with which we were presented. A young woman came in and said: My mother and I decided we would buy a home—an African-American mother and her daughter. She said: I had a nice job but it was our first chance in the history of our family to own a home. She said to the Senators: You can't imagine how exciting it was, the idea we were finally going to have our little home.

I know what it meant to my family when we bought our first home. I know what it means to families across America. This is the American dream. This is your chance. Sadly, she got hooked up with one of these outfits. She wasn't a business major. She didn't have a lawyer to turn to and an accountant to ask questions. She was an average American trying to do the right thing for her mom and herself. She ended up getting into one of these nightmare situations where the home she bought was over-appraised, where she ended up with a mortgage she could never possibly pay, with terms and conditions that, frankly, guaranteed failure. And that is what happened. As a result of that second mortgage on her home, there was a foreclosure that led her to bankruptcy court, and the bankruptcy court basically said the company that ripped her off could take her home away. End of the American dream for someone who was trying to do the right thing.

In 1998, my colleague, Senator CHARLES GRASSLEY, Republican from

Iowa, chaired the Special Committee on Aging, on predatory lending practices. William Brennan, director of the Home Defense Program of Atlanta, GA, Legal Aid Society, put a human face on the issue. He told us the story of Genie McNab, a 70-year-old woman living in Decatur, GA.

Mrs. McNab is retired and lives alone on Social Security retirement benefits. In November of 1996, with the ''help'' —I use that word advisedly—of a mortgage broker, she obtained a 15-year mortgage loan for $54,300 from a large national finance company. Her annual rate of interest is 12.85 percent. Under the terms of the mortgage, she will pay $596 a month until the year 2011, when she will be required to make a final payment of $47,599. By the time she is done, her $54,200 loan will have cost $154,967. When Mrs. McNab turns 83 years old, under the terms of this wonderful deal offered to her, she will be saddled with a balloon payment which will be impossible for her to make. She will face foreclosure. She will be forced to consider bankruptcy. And when she walks into the bankruptcy court, if the Durbin amendment is not adopted, the person who fleeced her out of her home and her life savings, with a big grin on his face and a lawyer at his side, is going to recover. He is going to take away everything this poor lady has. She will face the loss of her home and her financial security, not to mention her dignity and her sense of well-being.

Ironically, Mrs. McNab paid a mortgage broker $700 to find this wonderful arrangement, a mortgage broker who also collected a $1,100 fee from the mortgage lender. Sadly, Mrs. McNab is the typical target of the high-cost mortgage lender, an elderly person living alone on a fixed income. We can have all the hearings we want on Capitol Hill in the Select Committee on Aging, we can talk about the greatest generation ever that served in World War II, we can talk about our respect for our seniors—and we should. But this amendment will be a test of respect for senior citizens who were the victims of so many of these lenders.

This lady, living alone on a fixed income, was just the target these companies look for. The death of a spouse, the loss of a spouse's income, a large medical bill, an expensive home repair, mounting credit card debt, and many of these people are pushed right over the edge, right into bankruptcy court.

These are real life circumstances that make Mrs. McNab and others an irresistible target for these loan sharks and for members of the subprime mortgage industry.

According to a former career employee of the industry who testified before the Senate Special Committee on Aging, he told the story about what they are looking for when they go out trying to find people to sign up for these loans. Incidentally, the man was so confident that he had to testify anonymously, behind a screen. He was afraid some of the companies that were involved in some of these practices would figure out who he is. So anonymously he testified before the Senate behind a screen so no one would see him, and here is what he said about his experience in the subprime mortgage industry:

> My perfect customer would be an uneducated woman who is living on a fixed income—hopefully from her deceased husband's pension and Social Security—who has her house paid off, is living off of credit cards, but having a difficult time keeping up with payments, and who must make a car payment in addition to her credit card payments.

That is the perfect target. That is what he is looking for. This industry professional candidly acknowledged that unscrupulous lenders specifically marketed their loans to elderly widows, blue-collar workers, people who have not attended college, people on fixed incomes, non-English-speaking people, and people who have significant equity in their homes. These are people who have worked a lifetime and made the mortgage payments, finally burned the mortgage in a little family celebration, sitting in that home looking forward to comfortable years, and in come these sharks swimming around in the waters of their home. When it is all over, they are devoured in bankruptcy court. We are talking about reforming this court.

They targeted another such person in the District of Columbia, Washington DC, Helen Ferguson. She came before the Senate Aging Committee, Senator GRASSLEY's committee. She was 76 years old when she testified. She told us as a result of predatory lending practices, she was about to lose her home. In 1991, Mrs. Helen Ferguson had a total monthly income of $504 from Social Security. With the help of her family, she made a $229 monthly mortgage payment on her house—certainly a modest lifestyle by any measure. However, on her fixed income she could not keep up with needed home repairs. She began hearing and seeing these radio and TV ads for low-interest home improvement loans, so she called one. Mrs. Ferguson thought she had signed up for a $25,000 loan. In reality, this lender collected over $5,000 in fees and settlement charges from her on a $15,000 loan. The interest rate he charged her? 17 percent. Her mortgage payments went up to $400 a month, almost twice what they were before.

Over the next few years, the lender repeatedly tried to convince Mrs. Ferguson the answer to her concerns was to take out more loans. He called her—even called her sister at home and at work, trying to encourage them to sign up for more loans—what a nice gesture. He sent Christmas cards to the family, and letters expressing real concern about the problems they were facing.

In March of 1993, Mrs. Ferguson finally gave in to this lender, borrowing money to make home repairs. By March of 1994, she couldn't keep up with the mortgage payments. She signed up for a loan with another lender, unaware that it had a variable interest rate and terms that would cause her payments to rise to $600, eventually $723 a month. Remember, this lady started off back in 1991 with a $229 monthly mortgage payment. She is now up to $723 a month, thanks to the helping hand and assistance of these subprime lenders who are looking at this great target—Mrs. Ferguson's home. For this loan, this next loan, she paid another $5,000 in broker's fees. She is putting an additional mortgage on this little home, and $5,000 of the new mortgage is going straight to the broker; it isn't going back to her, more than 14 percent in total fees and settlement charges on the front end of this subprime mortgage.

The first lender also continued to solicit her. She eventually signed up for more loans. She could not get out from under. They kept saying one more loan and she would be just fine. Each time, the lender persuaded her that refinancing would enable her to meet her monthly payments. Mrs. Ferguson was the target of a predatory loan practice known as loan flipping. The Durbin amendment specifically cites that type of practice as a violation, a material violation of the law that should make certain they cannot go to bankruptcy court and take Mrs. Ferguson's home away from her after they have been engaged in this kind of conduct for over a decade. She was the target of this practice of loan flipping, and in such cases, lenders purposely structure the loans with monthly payments they know the homeowner cannot afford so that at the point of default, it provides the lender with additional points and fees. They make money on these every single time, and in the case of some of Mrs. Ferguson's loans, not only did the lender prepare two sets of documents and rush the signing, but the lender's representatives took with them all the papers from the mortgage closing and mailed them to her only after the 3-day rescission period was expired, and the check for home repairs was spent.

You have heard about that. If you make a bad deal, you have 3 days to change your mind. They took the papers away at the closing and said they would mail them to her. She got them 3 days later. They knew what they were doing.

Some opposed say Mrs. Ferguson just needs a good lawyer. A good lawyer for a lady making $500 a month on Social Security, who has seen her monthly mortgage go from $229 to $723? She has to go find a good lawyer to fight these folks?

That is what they think is the recourse here, that is the remedy. They

are going to argue we do not need the Durbin amendment; Mrs. Ferguson can get her day in court. Let her come down on K Street in Washington, DC, and find a nice law firm to take care of her. We know better than that. People such as Mrs. Ferguson around America are going to be those who don't ever want to have been seen in a courtroom. They come into bankruptcy court ashamed.

After a lifetime of saving and sacrifice, they are forced into this predicament, and the people opposed to my amendment tell us once they get to bankruptcy court let the buyer beware. Let the people take her home if they want.

Eventually, Mrs. Ferguson was obligated to make monthly payments of more than $800, although her income was still $504 a month, and the lenders knew it. That is another provision in the Durbin amendment. If they knowingly make loans to people who cannot afford to repay them, they have violated the law. It is a material violation of the law to drag these people into debt so deeply they can never get out again and to know it walking in the front door.

In 5 years, the debt on her home increased from $20,000 to $85,000. For some wealthy people in America that may not sound like much, but for a lady living on $500 a month, it is a mountain she will never be able to climb. She felt helpless and overwhelmed. She contacted AARP. She didn't know where to turn. She realized these lenders had violated the Federal law in what they had done.

Lump-sum balloon payments on short-term loans, loan flipping, the extension of credit with the complete disregard for a borrower's ability to repay—these are not the only abusive mortgage practices. Lenders on these second mortgages sometime include harsh repayment penalties in the loan terms, rollover fees, charges into the loan, or negatively amortize the loan payments so the principal actually increases over time.

You can never catch up with it. It just keeps growing, all of which is prohibited by law, although many ordinary homeowners do not know what the law says.

Some of these homeowners will not make it to a lawyer or other source of help before financial meltdown occurs. When they realize what has happened, these consumers are often on the brink of foreclosure and bankruptcy.

There are some protections built into current law. I have no quarrel with this. But you cannot call these protections ''ample'' when they permit a gross injustice. There exist out there lenders who illegally trap families into insurmountable debt, force the families into bankruptcy, and then actually continue to pursue their greed by staking their claim in bankruptcy proceedings.

The debate on the bankruptcy reform bill before us started I guess about 5 years ago. The argument from the people who wanted to change the law is that too many people were coming to bankruptcy court and filing for bankruptcy and they really shouldn't, they should pay back their debt. They argued that the people who were filing for bankruptcy had forgotten the moral stigma of declaring bankruptcy in America. Yet when I look at this situation, where is the moral stigma? Shouldn't the moral stigma be on the conscience of these lenders who have dragged these poor unsuspecting people into a situation where they have no hope and nowhere else to turn? When it comes to that moral stigma, it will be interesting on the vote on the Durbin amendment as to whether the people believe, in voting in the Senate, there is any moral culpability on the part of those who have taken advantage so many times.

Yesterday, Senator HATCH said that my amendment ''will adversely affect the availability of credit to certain consumers, many of whom may be low-income and minorities whom this amendment purports to protect. Moreover, the secondary market for such mortgages will also be affected thereby placing an upward pressure on the pricing of such loans.''

Well, if Senator HATCH really feels that way, then he should be joining me in supporting this amendment. This amendment will not affect available credit for anyone. Nor will it affect the secondary market. The only ones affected by this amendment are the low-life lenders who are breaking the law, and ruining people's lives in the process. They are the only ones who should be concerned. Because they will no longer be able to profit from their unscrupulous practices.

And the finance industry ought to think twice about harboring and protecting these people. It doesn't give their industry a good name or a good reputation.

Senator HATCH also said yesterday that my amendment ''does not require any finding that such a violation was the cause of the debtor going into bankruptcy. Now that's just not good law. That's not the way we should be making law. Nor does it require that a violation of the Home Ownership and Equity Protection Act had to have been found for this draconian remedy to take place.''

Mr. HATCH. Mr. President, will the Senator yield?

Mr. DURBIN. I am happy to yield for a question.

Mr. HATCH. Could the Senator give me some indication when he is willing to go to a vote on this amendment?

Mr. DURBIN. I am hoping to in just a few moments.

Mr. HATCH. When the Senator has concluded, I will move to table.

Mr. DURBIN. I only yielded for the purpose of a question.

Mr. HATCH. I understand. I am just wondering if we can have some idea when we can go to a vote, and then I would be able to give people some sort of notice.

Mr. DURBIN. I think that is reasonable. I would say no more than 20 minutes.

Mr. HATCH. On your amendment, and then Senator GRAMM.

Mr. GRAMM. I think I can do it in 10 minutes.

Mr. HATCH. Then about 10 until 12; is that all right? I will make a motion to table. Could I ask unanimous consent?

Mr. GRAMM. Could we divide the time so the Senator would have his time and I would have mine? I sense that the Senator is somewhat caught up in this and would like to speak. And I want to be sure I get the opportunity.

Mr. DURBIN. The Senator from Texas is correct, I am caught up in this. I think we have 40 minutes remaining. I will take 15, if the Senator from Texas would like to take 15. How is that?

Mr. GRAMM. That is all right.

Mr. HATCH. If I could move to table at 10 until 12, and let everybody know, is that OK?

Mr. DURBIN. I want to make sure I understand what the Senator is saying. If we could have the time between now and 11:50 evenly divided, that would be fine.

Mr. HATCH. I ask unanimous consent that be the case, and I will move to table at the conclusion of that time.

No second degree will be in order.

Mr. DURBIN. That is right.

Mr. HATCH. Before the vote—in other words, we will divide the time up until 10 until 12, equally divided with no further amendments before the vote, and I will move to table at that time, and we will have a vote.

The PRESIDING OFFICER (Mr. ALLARD). Is there objection?

Mr. DURBIN. The point made by the staff is well taken. If the motion does not prevail, the amendment will still be pending and open for debate and amendment; is that correct?

Mr. HATCH. That is right.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DURBIN. I thank the Senator from Utah.

What is interesting from the parliamentary side is, once you have made a motion to table, it is not debatable and it all comes to an end.

I will make a few comments in closing, and Senator GRAMM will have his opportunity, and the Senate will vote on whether to table the Durbin amendment.

For those who have not heard the Durbin amendment, it says if you are going to go to bankruptcy court and

claim protection to try to pursue a mortgage foreclosure, you have to walk into bankruptcy court with clean hands. You cannot be an unscrupulous, illegal lender taking advantage and exploiting poor people, elderly, and widows, and walk into bankruptcy court and say I want the protection of the law.

The people who oppose it will say folks just have to come to understand the conditions of these mortgages; they have to learn a little bit about the law; they have to understand this is an industry that is out to make a profit, too.

I think there is truth to that. I think people have to come into these transactions with some basic understanding of the law. But think about the people we are talking about here. These are 70- and 80-year-old retirees who are losing their homes to these loan sharks who know the law inside and out. These are people with limited understanding of the law, maybe limited education, and maybe limited understanding of the English language. These are the victims. These are the targets. And to argue that these are the people who should understand the great law of America is to suggest that each one of us knows what the backs of our monthly statements from the credit card companies really mean.

I am a lawyer. I haven't flipped over to see the faint type and small letters on the back side of a page to determine the conditions of my credit card. How many times have you stopped to read it? I haven't. I am not sure I could understand it if I did. That is the reality. I am a lawyer; these folks are not. These are people who have done the right thing in America, and they are the victims.

Senator HATCH also said yesterday that my amendment ''does not require any finding that such a violation was the cause of the debtor going into bankruptcy. Now that's just not good law. That's not the way we should be making law. Nor does it require that a violation of the Home Ownership and Equity Protection Act had to have been found for this draconian remedy to take place.''

Now let me get this straight. If a lender breaks the law, if it's been demonstrated that they clearly violated the Truth-in-Lending Act, the portion dealing with predatory mortgages and burdened a family with an outrageous, morally indefensible loan, if they have done all that, then the bankrupted family still has to prove that is why they went bankrupt.

Think about that. After they have lost their homes to this unscrupulous lender, some of the critics of this amendment say the burden is still on the borrower: You have to prove I was unscrupulous. You have to prove this lender did illegal things. If they can't, then the lawbreaker can still sit down at the table and take the family's assets.

I can think of no better example than that of what a bad law really looks like. My amendment addresses it.

Yesterday, we learned from Jodie Bernstein, Director of the FTC Bureau of Consumer Protection that a lending arm of Citigroup ''hid essential information from consumers, misrepresented loan terms, flipped loans [repeatedly offering to consolidate debt into home loans] and packed optional fees to raise the costs of the loans.'' And that the ''primarily victimized'' . . . were the most vulnerable, hard-working people who had to borrow to meet emergency needs and often had no other access to capital.

The FTC lawsuit comes after almost 3 years of investigation. Well we have an opportunity to help curb these predatory lending practices today by passing my amendment.

Why do we need my amendment to deal with predatory lending practices? Because of: the statistics I mentioned earlier; because of victims of predatory lending like Ms. McNab and Ms. Ferguson; and because of suits like that filed by the FTC against a lending arm of Citigroup—predatory lending is an epidemic.

We can end this epidemic with this amendment. Current law is not sufficient to deal with it. If current law were enough, we wouldn't be standing here today; we wouldn't have seen the dramatic increase in these loans nor the dramatic increase in mortgage foreclosures directly attributable to these loans.

The problem of predatory financial practices in the high-cost mortgage industry is relevant to bankruptcy because it is driving vulnerable people into bankruptcy.

These people are not entering bankruptcy in order to abuse the system, they are filing bankruptcy because the reprehensible tactics of unscrupulous lenders have driven them into insolvency and threatens their homes, cars, and other necessities.

The question is whether my colleagues in the Senate want to vote to protect these victims by voting for the Durbin amendment.

My amendment prohibits a high-cost mortgage lender that extended credit in violation of the provisions of the Truth in Lending Act from collecting its claim in bankruptcy.

For people, such as Genie McNab, Helen Ferguson, Goldie Johnson, and the Mason family, about whom I talked yesterday, if they go to the bankruptcy court seeking last-resort help for the financial distress that an unscrupulous lender has caused them, the claim of the predatory home lender will not be allowed if the Durbin amendment passes. If those who move to table my amendment—if Senator HATCH or Senator GRAMM prevail—these predatory lenders, guilty of abusive practices, will have the protection of the bankruptcy court. If my amendment passes, they will not.

My amendment is narrowly drawn. It simply says that a creditor who violates the law cannot then ask for the law to protect them in bankruptcy court. I do not think my colleagues, in their effort to create a bankruptcy system more favorable to creditors, want to protect these unscrupulous people in the process.

Congress has seen fit to pass laws to protect consumers from some of the egregious practices of predatory lenders, including the Home Ownership Equity Protection Act and the Truth in Lending Act.

And I might say, just briefly, my first exposure to Capitol Hill came as a college student in this town. I worked for a Senator from Illinois whose name was Paul Douglas. He served from 1948 to 1966. He was an extraordinary man who fought for consumers during his entire career. Maybe some of that has rubbed off in the way I view politics.

But one of things he pushed for his entire career—and he did not serve long enough to see happen—was the passage of the Truth In Lending Act, which said that instead of ''buyer beware,'' the consumer should be informed. I think that is a good law for America. People who are abusing that law, a law that has been the law of America now for 33 years, should not have the protection of bankruptcy law when they go to court.

If this bankruptcy legislation is enacted into law, it will force all debtors, including those who fall below median income, to jump through all sorts of new hoops so we can be satisfied the debtor is not abusing the bankruptcy system. Cumbersome and burdensome new requirements are being placed on all debtors to weed out the abusers of the system.

In this case, we are not talking about debtors who are acting illegally; we are simply talking about abusive creditors whom I believe are acting illegally and should be held accountable.

My amendment does address their illegal practices. We don't live in a perfect world. We live in a world where predatory lending is all too common and growing in America. Think about how it has grown. Now put it in the context of a slowed-down economy, perhaps a recession—people finding they are losing their jobs; they don't have as much income, but their debts are growing. People will then, in desperation, turn to second mortgages for repairs at home or to overcome a family crisis. These will be the new class and the new array of victims of these predatory lending practices. Those are the ones about whom I am most concerned. If this Durbin amendment does not pass, you will see these numbers continue to increase.

We know many of the victims of predatory lending end up in bankruptcy court. This Congress should not allow these people to be victimized twice—first by the predatory lenders, and second, in the bankruptcy court.

Close the loophole that now exists. Shut the bankruptcy courthouse doors to creditors who illegally prey on the most vulnerable in our society, including older Americans, minorities, and low-income families. If the lender has failed to follow the law with the requirements of the Truth in Lending Act for high-cost second mortgages, the lender should have absolutely no claim against the bankruptcy estate. Bankruptcy courts always consider creditors' claims and whether they are fraudulent or not. They make this decision before they can go forward and pursue them in the bankruptcy court. All I am saying is, they should also say if they have violated the law in illegally offering these mortgages, they cannot use bankruptcy court.

My amendment is not aimed at all subprime lenders. If they are following the law, they have nothing to fear. If they are not following the law, they are going to hate the Durbin amendment. Indeed, it is aimed at the worst and most predatory of these subprime lenders.

My provision is aimed only at practices that are already illegal and, as the amendment says, materially illegal. It does not deal with technical or immaterial violations of the Truth in Lending Act.

Disallowing the claims of predatory lenders and bankruptcy cases will not end these predatory practices altogether. Yet it is a valuable step to curb creditor abuse in a situation where the lender bears primary responsibility for the deterioration of a consumer's financial situation.

I have supported bankruptcy reform laws. I hope I can support this one. But if we are going to take a no-amendment strategy on the floor of the Senate, if we will not hold abusive and unscrupulous creditors accountable for their activity, you cannot say this is a balanced bill. It is tipped to make sure the credit industry always wins and the consumer always loses.

This Congress, this Senate, represents not only bankers and lenders, it represents ordinary American families, retirees, people who vote, and people who care. We have to make certain the amendments we consider, the bankruptcy law we pass, remembers those people who cannot afford a lobbyist, those people who, frankly, have found themselves at a tragedy they never envisioned in their lives. They have to be remembered on the floor of the Senate.

I urge my colleagues on both sides of the aisle to think twice about this. The last time I offered this amendment, one Republican Senator voted against it who later told me: I wish I would have known what was in there. I wish I would have read some of the stories I heard about in my State about predatory lending. That Senator is going to reconsider the vote that is cast today.

I hope some of my friends on the Republican side will not take an automatic reaction against every amendment. This is a good-faith amendment. And when you go home and hear about these practices in your home State, and about families who are exploited, you will be able to say—if you vote for the Durbin amendment—I did what I could to stop these people who are taking advantage and exploiting these poor people across America. But if you vote down this amendment—business as usual, what a banner day for the subprime loan industry, for the sharks on the street who will go out looking—as this person said here in closed testimony, anonymously—for that elderly woman who is on Social Security, who has a home with a value to it that you can extend into a loan she can never pay back, so that the subprime lender will realize his version of the American dream—he will own the home; it will be the home of the person who saved their entire life, hoping they could retire there in peace and tranquility.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, as always, our colleague has done an excellent job. He begins by telling us that only people who ruin people's lives could be opposed to the amendment. He tells us the amendment has to do with people who won World War II. He tells us the sharks on the street are the subprime lenders who are affected. And then he tells us it is a choice between those who respond to special interests and his choice in defending the individual, people who do not have lobbyists.

I think we have heard an excellent speech, but it has no relevance to the amendment that is before us.

The amendment before us, paradoxically, would hurt the very people our colleague appears to champion. I wonder how many Members of the Senate are members of families who have received a subprime loan.

As I mentioned earlier, when I was a boy, my mama bought a home on Dogwood Avenue in Columbus, GA, for $9,300. She borrowed the money from a subprime lender. She paid 4.5 percent interest. The going market rate was 3 percent. She paid a premium of 50 percent. What incredible exploitation. The problem is, there is another side to that story.

She was a practical nurse. She did not have a full-time job. She worked on call. She had three children. Banks did not make loans to people like my mother. As a result of that loan, at a 50-percent premium, so far as I am aware, she was the first person in her family, from Adam and Eve, ever to own her own home. It profoundly affected her life, and it affected my life too. None of her children have ever failed to own their own home.

So our colleague would have us believe that because you are paying a premium, because you have no established credit, or because you have troubled credit, that somehow this kind of lending is illegitimate, or in today's terms, it is predatory.

The Senator from Illinois's amendment has nothing to do with predatory lending. Is our colleague not aware that Fannie Mae and Freddie Mac are now moving into subprime lending, that the premium that people with no credit ratings or poor credit ratings are paying is declining because of increased competition? Is our colleague suggesting that because every lender in America opposes this amendment, they are, by definition, people who ruin other people's lives?

Let me explain this amendment. When you cut through all of the wonderful rhetoric and every horror story ever recorded, where hundreds of laws have been broken and where remedy is available and is being undertaken, in every case that was cited by our colleague the lender violated dozens of Federal statutes that have nothing to do with this amendment.

What this amendment says, basically, is the following: If in any material way you violate roughly a dozen provisions of the Truth in Lending Act, the loan is not enforceable and lenders can't collect.

Let me give three examples of what constitutes a violation or would be subject to a bankruptcy judge's determination as being a material violation. You are now required under truth in lending to give written notice to a borrower that you are going to give them information over the telephone. If you failed to do that in writing 3 days before you actually gave the information and judged to be in violation, you would not be able to collect on the loan.

You are required before a transaction is entered into to give 3 days' notice. What if you gave 2 days' notice? You would be subject to not being able to collect a loan. You are required to provide the notice in a certain typeset. Under the amendment of the Senator from Illinois, if you were judged by a bankruptcy judge to have typeset that was too small, then the loan would be uncollectible.

Now what do you think is going to happen if these provisions become law? Thousands of reputable lenders who are making loans to people who otherwise could not own their own home will get out of the mortgage-making business. Millions of people who could have the dream of home ownership would lose it because of this amendment.

Our colleague tells us that remedy is needed. It is as if he didn't know we have just undertaken, with every financial regulator, promulgation of new regulations related to so-called predatory lending. One of the areas they are rulemaking on is balloon payments, the very thing about which he talks.

Over and over again, basically what we are being asked to do is something that will hurt not the lender—there are plenty of prime loans to be made but the people who do not have established credit or who have marred credit. The net result is that millions of people will not be able to get loans.

There is one other problem. There are very strict penalties for violating the provisions of law referred to in this amendment. You can be fined $1 million a day. You can have your bank charter terminated. You can have the directors and officers removed. You can have an injunction. Those are all penalties imposed on the bank.

Imagine if we actually had a provision of law which said that if an error is made—and there is nothing about intent in this amendment—then the loan is forgiven.

Can you imagine a situation where we are going to pit the borrower and the lender against each other, where the borrower would have an incentive not to respond, not to send in information, to try to find a way to produce an error so the loan would have to be forgiven? The net result is that while Fannie Mae and Freddie Mac are now getting into subprime lending, these kinds of provisions would drive them out. These provisions would end up driving people who want to own their own home into the hands of the very unscrupulous lenders about which our colleague talks.

We have heard a wonderful speech. It talks about horror stories that have existed and do exist. We have legislated over and over to deal with those problems. The idea of saying that because an error was made which was unintentional in areas related to type size, notification in advance of telephone discussions, notification prior to a transaction, that those kinds of changes could render the loan uncollectible would mean thousands of lending institutions that today are making home ownership possible would get out of that kind of lending. That is why every lender in America is opposed to this amendment.

I urge my colleagues to let the Federal Reserve and our bank regulators, who are looking right at this moment at predatory lending, come up with regulations that make sense and will help more than they hurt. I am moved, and I know anybody is moved who listened to the speech in advocating this amendment. But I urge my colleagues to get beyond the speech and look at the amendment.

Can you imagine putting lenders in a situation where technical errors, unintentionally made, could result in a loan's not being collectible? Banks in cities such as my hometown of College Station would get out of subprime lending under those circumstances in droves. And the cost of the loans that would be made would go up.

The problem our colleague talks about is real. The emotion he presents is real and well intended. The remedy he proposes makes all of the problems worse. It drives out not the bad lender but the good lender. It drives out not the loan shark but the legitimate lender who is getting into this area of lending and driving down interest rates and helping people own their own home.

I wish we could pass a law that would say that everybody had good credit, that everybody had established patterns of behavior paying back debt, and that somehow that could change behavior. Such a law could not be passed and would not be reasonable. It would violate human nature.

To pass a law that basically says you can't collect a loan based on an unintentional error is to assault the whole foundation of the credit system of the United States of America and greatly undercut the ability of moderate-income people, people who have checkered credit ratings, people who have no credit ratings, from ever getting a loan.

I urge my colleagues to support tabling this amendment. I yield the remainder of my time to Senator HATCH.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, how much time do we have?

The PRESIDING OFFICER. One minute.

Mr. HATCH. I ask unanimous consent that I have 1 additional minute.

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

Mr. HATCH. Mr. President, the Home Ownership and Equity Protection Act, HOEPA, already gives borrowers numerous protections and built-in ''super-remedies'' including the consumer's right to rescind the loan, actual and statutory damages, class action law suits, attorneys fees and costs. This amendment imposes a drastic and unnecessary new penalty on lenders by taking away their right to get paid in bankruptcy—and thus gives the debtor a ''free house''—in the event of a violation of HOEPA. This amendment will create litigation within litigation. Also, the amendment as written would make any secured loan, whether or not subject to HOEPA, even if fully compliant with all other banking laws, subject to the draconian remedies of this amendment for a violation of the Home Ownership and Equity Protection Act.

This provides a major disincentive, as the distinguished Senator from Texas, the chairman of the Banking Committee, has made the case, for making loans to people on the margin, taking the American dream of home ownership out of reach for them. I join with the distinguished Senator from Texas in making it clear that this amendment does precisely the opposite.

That is what our very effective colleague, with all of the horror stories he mentioned, has been advocating. Frankly, I hope we vote this amendment down because it will be a disaster in bankruptcy law. I think it will be a disaster for those folks who currently benefit from fair lending. Where there is unfair lending, I have no doubt the laws will take care of that. This amendment will work exactly to the contrary.

Mr. President, I will move to table the amendment following the closing statement of Senator DURBIN.

The PRESIDING OFFICER. The time of the Senator from Utah has expired. There remains 41 seconds for the Senator from Illinois.

Mr. DURBIN. Mr. President, this amendment says that if you have materially violated the law, if you have exploited the poor victims in America who can lose their homes because of predatory lending, you cannot have the protection of the bankruptcy court. Senator GRASSLEY from Iowa, who is on the floor, held hearings on this in State after State.

This is a scourge on retired people and people on fixed incomes. Will we come to their rescue? Watch the vote.

The PRESIDING OFFICER. The Senator from Utah.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion to table.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (When his name was called). Present.

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 18 Leg.]

YEAS—50

Allard	Gramm	Nelson (NE)
Allen	Grassley	Nickles
Bennett	Gregg	Roberts
Bond	Hagel	Santorum
Brownback	Hatch	Sessions
Bunning	Helms	Shelby
Burns	Hutchinson	Smith (NH)
Campbell	Hutchison	Smith (OR)
Chafee	Inhofe	Snowe
Cochran	Johnson	Stevens
Craig	Kyl	Thomas
Crapo	Lott	Thompson
DeWine	Lugar	Thurmond
Domenici	McCain	Torricelli
Ensign	McConnell	Voinovich
Enzi	Miller	Warner
Frist	Murkowski	

NAYS—49

Akaka	Bingaman	Cantwell
Baucus	Boxer	Carnahan
Bayh	Breaux	Carper
Biden	Byrd	Cleland

Clinton	Harkin	Murray
Collins	Hollings	Nelson (FL)
Conrad	Inouye	Reed
Corzine	Jeffords	Reid
Daschle	Kennedy	Rockefeller
Dayton	Kerry	Sarbanes
Dodd	Kohl	Schumer
Dorgan	Landrieu	Specter
Durbin	Leahy	Stabenow
Edwards	Levin	Wellstone
Feingold	Lieberman	Wyden
Feinstein	Lincoln	
Graham	Mikulski	

ANSWERED ''PRESENT''—1

Fitzgerald

The motion was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York is recognized.

AMENDMENT NO. 25

Mr. SCHUMER. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from New York [Mr. SCHUMER] proposes an amendment numbered 25.

Mr. SCHUMER. Mr. President, I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To make an amendment with respect to the preservation of claims and defenses upon the sale or transfer of a predatory loan)

At the end of subtitle A of title II, add the following:

SEC. 204. PRESERVATION OF CLAIMS AND DEFENSES UPON SALE OR TRANSFER OF PREDATORY LOANS.

Section 363 of title 11, United States Code, is amended by adding at the end the following:

''(p) Notwithstanding subsection (f), the sale by a trustee or transfer under a plan of reorganization of any interest in a consumer credit transaction that is subject to the Truth In Lending Act (15 U.S.C. 1601 et seq.), or a consumer credit contract as defined by the Federal Trade Commission Preservation of Claims Trade Regulation, is subject to all claims and defenses which the consumer could assert against the debtor.''.

Amend the table of contents accordingly.

Mr. KERRY. Mr. President, I ask my colleague if he will yield for a question?

Mr. SCHUMER. I am happy to yield to my colleague.

Mr. KERRY. I ask unanimous consent I be recognized after the Senator has completed his amendment for the purposes of submitting an amendment.

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

Mr. BENNETT. Mr. President, reserving the right to object.

Mr. KERRY. I believe it was ordered.

The PRESIDING OFFICER. The Senator from Utah, I believe you are a little tardy.

Mr. KERRY. I thank the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I am offering a very limited amendment to the bankruptcy code relating to subprime lenders that engage in predatory lending practices and then declare bankruptcy as a way to avoid liability for their role in destroying the lives of decent, hard-working American families.

Let me state, while I supported the amendment of my good friend from Illinois, this is a much narrower amendment. In fact, it conforms to what the Senator from Texas has said.

The PRESIDING OFFICER. The Senator will suspend. Let's see if we can get order in the Senate Chamber.

Mr. SCHUMER. Thank you, Mr. President.

The PRESIDING OFFICER. Will our guests and all others be in order, please. The Senator from New York.

Mr. SCHUMER. Mr. President, my good friend from Texas, Senator GRAMM, had mentioned that the previous amendment went way beyond the scope of the bankruptcy bill dealing with RESAP and TILA. This amendment does not. It limits things strictly to the bankruptcy code and it is an amendment that is needed to ensure that the bankruptcy code is not used to exacerbate the effects of illegal predatory lending practices.

In the past decade we have had remarkable prosperity. More than half of all Americans invested in the stock market. Unemployment figures hit all-time lows. Despite a recent slowing, more families than ever own their own homes.

While we have made enormous progress towards providing all of our citizens with the opportunity to achieve the American dream of home ownership, the invidious practice of predatory lending is stripping hard-working individuals and families of their savings, and it is sinking them into debt and devastating them financially. For many, it has turned the American dream into the American nightmare.

Nowhere is the problem more prevalent than in my home State of New York. Now there are some who would argue, despite the evidence to the contrary, that there is no such thing as predatory lending, but I know we all know better. We know the costs that predatory lending has caused to people. When borrowers encounter a predatory lender, they are manipulated and deceived through a barrage of aggressive and misleading tactics, stripped of the equity in their homes, robbed of their life savings, led into foreclosure, often forced into bankruptcy, and, of course, the predators as a matter of practice target the most vulnerable: unsophisticated first-time home buyers, elderly, minority community, low-income neighborhoods.

We have a new problem with these predatory lenders. That is what this amendment seeks to avoid. In recent months, several large subprime lenders have obtained orders from bankruptcy courts, providing for the sale of their loans or the servicing rights associated with them under section 363 of the bankruptcy code. Consumers who have attempted to challenge these loans or their servicing obligations based on violations of fair lending laws have been told by the purchasers of these loans they were sold free and clear of any consumer claims and defenses. The fact that innocent borrowers can be left in the lurch is flatout wrong.

Here you have the situation where a predatory lender has come in, gotten a loan, and then declared bankruptcy, shielding that predatory lender from a claim that the innocent homeowner is making. That is wrong. All this amendment does, staying within the confines of the bankruptcy code, not dealing with banking issues—I am a member of the Banking Committee but I agree that is the place where we should deal with those issues—is seek to prevent the bankruptcy code from shielding these lenders from the rightful claims of innocent borrowers who have their life savings at stake.

It is heartbreaking and maddening to hear how decent, hard-working people have had their lives destroyed because of predatory lenders when they sought little more than to obtain their piece of the rock, the American dream—home ownership. It is frustrating when the bankruptcy code is used to help these predatory lenders hide from the law.

By adopting this amendment, we can take a very small but important step against predatory lending. We will prevent predatory lenders from being able to use bankruptcy as a means by which to shield themselves from liability and cut off consumer claims and defenses.

Let me repeat that because that is the nub of this limited but important amendment which I hope we will accept without controversy. We will prevent predatory lenders from being able to use the bankruptcy code as a means by which to shield themselves from liability and cut off consumer claims and defenses. And we will protect consumers from those who seek to purchase predatory loans with the knowledge that the consumer's right has been undermined.

In short, we can send a powerful message that we are committed to protecting individuals and their families from those who rob them of their dreams and then seek to cloak themselves behind the veil of the bankruptcy law.

I sincerely hope we can accept this amendment. It is fair. It is limited to the bankruptcy code. It was intended to and it makes the code immune from the practices of predatory lenders that

the code was never intended to protect from the homeowners they rip off.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from New York?

Mr. SCHUMER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Does the Senator from New York seek the yeas and nays?

Mr. SCHUMER. I will be happy, before I do, to yield to my colleague from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Let me state the situation for the Senator from New York. We can have the yeas and nays, but we cannot have a vote on this right away.

Mr. SCHUMER. That is OK. Unless the Senator from Iowa would accept this amendment?

Mr. GRASSLEY. We are not prepared to make that decision yet.

Mr. SCHUMER. I will be happy to ask for the yeas and nays and delay the vote until a time auspicious to the floor manager.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GRASSLEY. Mr. President, I agree to temporarily lay aside the amendment of the Senator from New York so we can proceed to the amendment of the Senator from Massachusetts.

Mr. SCHUMER. If the Senator from Iowa will yield, as long as we get the yeas and nays on this amendment in due course.

The PRESIDING OFFICER. We had the sufficient second.

Mr. GRASSLEY. The point is we can assure the Senator from New York the yeas and nays on his amendment. We can't assure the Senator from New York when we are going to vote on the amendment.

Mr. SCHUMER. That is fine.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, thank you very much.

AMENDMENT NO. 26

Mr. KERRY. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] proposes an amendment numbered 26.

Mr. KERRY. Mr. President, I ask unanimous consent the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To strike certain provisions relating to small businesses, and for other purposes)

On page 187, strike lines 4 and 5.

On page 202, strike line 9 and all that follows through page 223, line 12, and insert the following:

SEC. 420. STUDY OF OPERATION OF TITLE 11, UNITED STATES CODE, WITH RESPECT TO SMALL BUSINESSES.

Not later than 2 years after the date of enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11, United States Code, and that cause certain small businesses to successfully complete cases under chapter 11 of such title;

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable;

(C) what factors, if any, would indicate the need for any additional procedures or reporting requirements for small businesses that file petitions for bankruptcy under chapter 11 of title 11, United States Code;

(D) what length of time is appropriate for small business debtors and entrepreneurs to file and confirm a reorganization plan under title 11, United States Code, including the factors considered to arrive at that conclusion; and

(E) how often a small business debtor files separate petitions for bankruptcy protection within a 2-year period; and

(2) submit a report summarizing the study required by paragraph (1) to the President pro tempore of the Senate and the Speaker of the House of Representatives, and the Committees on Small Business of the Senate and the House of Representatives.

Mr. KERRY. Mr. President, I come to the floor today with this amendment as the ranking member of the Small Business Committee of the Senate, a committee which we all know is designed to try to help empower America's small businesses to do what they do best, which is to create jobs.

Everyone in the Senate knows that almost all of the job growth of our country comes from small businesses, and, frankly, I think it is about 80 percent of the jobs in the Nation that come from small businesses.

We have tried to do as much as possible in the Senate in recent years to encourage small businesses to be able to act as the incubator of our economy. Together with Senator BOND, chairman of the committee, I think the Small Business Committee has been able to be particularly responsive to the needs of those businesses.

We have heard Alan Greenspan talk a lot about the so-called ''virtuous economic cycle'' that we lived through in the course of the last decade, and I think all of us look with special sensitivity to the impact the bankruptcy bill might have on small businesses.

It is with that concern I come to the floor today with deep concern about a particular provision within the bankruptcy bill that, in my judgment, runs counter to the policies we have been putting in place in the last years as we tried to have low-documentation loans, lift the regulatory burden on small businesses, lift the paperwork burden on small businesses, and, indeed, expand the capacity for entrepreneurship and for growth.

There is no evidence at all that small business bankruptcies are a problem which somehow warrant the rather extraordinary increase in regulatory oversight this bill seeks to impose on those businesses.

I am offering an amendment that would strike the small business subtitle of the Bankruptcy Reform Act and include in its place a study of the causes of small business bankruptcy and how Federal law regarding small business bankruptcy can be made more effective and more efficient.

Let me preface my comments about the specifics of this particular section that I seek to strike by saying that I share with all my colleagues who support the bankruptcy bill the notion that a decision to file for bankruptcy obviously should not be used as an economic tool to avoid responsibility for unsound business decisions, nor should it be an effort to get out from under a reckless act by either an individual or a business.

There has been a decline, as we all know, in the stigma of filing for personal bankruptcy, and certainly we would agree that appropriate changes are necessary in order to ensure that bankruptcy not be considered a lifestyle choice.

During the 105th and 106th Congresses, I have supported legislation that would increase personal responsibility in bankruptcy, and I have offered amendments that improve the number of small business provisions in the bill.

It has been Congress' long-held belief that regulatory and procedural burdens, however, should be lowered to whatever degree we can for small business—i.e., when it is possible and when it is rational to do so or when it doesn't somehow create another set of problems.

The Senate previously passed legislation to reduce that regulatory burden on small business, including most recently the Regulatory Flexibility Act and the Small Business Regulatory Enforcement Fairness Act.

Both of them have brought about fundamental changes in the way Federal agencies develop regulations.

In fiscal year 1999, changes to final regulations throughout the Federal Government reduced the compliance costs for small businesses by almost $5.3 billion.

I respectfully submit the provisions of this bankruptcy bill will set back

those very efforts of the Senate, and most importantly they do so without an adequate showing and without any adequate demonstration that this is, in fact, necessary.

I ask my colleagues, What is the evidence on which we are going to potentially proceed in the Senate to literally punish entrepreneurship?

As we can see in this chart, the degree to which small businesses have been carrying the heavy load of creating jobs during our recent economic expansion for every single year over the last decade, small firms have developed more jobs than large firms. In many years, small firm job creation has exceeded the growth of large firms by 2 or 3 to 1.

In 1992–1993 it was extraordinary the degree to which small firms eclipsed large firms. But even most recently, from 1994–1995 and 1996–1997, we have had the same trend during which small businesses have clearly exceeded the extraordinary growth level of all of the economy.

It would be insane for us to come in here now without an adequate showing of need and turn around and burden some businesses with proceedings that will cost them extraordinary amounts of administrative time, which in a small business is exceedingly difficult to comply with.

I ask those who promote this legislation, are we imposing on small businesses these kinds of requirements because small businesses have somehow been egregious in the bankruptcy process? The answer to that is no. There is no showing. In fact, the showing is to the contrary. Business bankruptcy chapter 11 filings from 1987 to the year 2000 show a decline in the numbers in thousands of small business bankruptcies. In fact, over the past decade, we have gone from 24,000 in the year 1991 to just below 10,000 last year, 23.7 million business tax returns filed in 1997, and a record 885,416 new small firms with employees opened their doors.

The numbers show us that of approximately 23.7 million business tax returns, and 885,000 new small businesses, only 10,000 were forced to file for bankruptcy.

Are those that filed for bankruptcy somehow doing such an injury to our economy that it measures the kind of response we see in this legislation?

A 1999 SBA study found that 79 percent of small businesses that filed for bankruptcy had each incurred less than $500,000 in debt. The study also found that about 45 percent of bankruptcy cases had one or no employees. Less than 5 percent of the bankruptcy cases represented companies with 50 or more employees.

The median assets of small businesses that filed for bankruptcy was just $94,000. So, once again, we have to measure the intrusive nature of the reporting requirements placed in this legislation versus the overall positive impact that small businesses have had versus the extraordinarily small impact of those small businesses that have filed for bankruptcy.

In November of last year, Wei Fan of the University of Michigan and Michelle White of the University of California at San Diego released a report on personal bankruptcy and its effects on entrepreneurial activity. The study concludes that while the bankruptcy reform bill is intended to reduce abuse in the bankruptcy system, an unintended consequence of adopting those reforms would be a substantial reduction in the level of self-employment by U.S. households.

Elizabeth Warren, a professor of Harvard Law School, and a recognized leader on the bankruptcy issue, believes the small business provisions in the bankruptcy bill would be the first piece of Federal legislation that actively discriminates against small businesses and denies them protection available to large businesses.

Ms. Warren believes the additional reporting requirements will be extraordinarily difficult and expensive for small businesses to produce on a monthly basis. She concludes:

> A decision by Congress in 2001 that small businesses should bear greater costs, face shorter deadlines, file more papers and lose any flexibility that a supervising judge might provide is a decision to shut down small businesses simply because they are small.

Mr. President, I ask unanimous consent her letter be printed in the RECORD.

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

HARVARD LAW SCHOOL,
Cambridge, MA, March 7, 2001.

Senator KIT BOND,
Russell Senate Building,
Washington, DC.

Senator JOHN KERRY,
Russell Senate Building,
Washington, DC.

DEAR SENATOR BOND AND SENATOR KERRY: As the Senate considers Senate Bill 420, I ask that you pay particular attention to the business provisions. They will have a direct, immediate and adverse impact on businesses in Missouri, Massachusetts and across the country.

Unlike the consumer provisions which have received substantial attention, the proposed amendments that would alter the rules of business reorganizations have remained largely unnoticed. According to data released last week by the Administrative Office of the U.S. Courts, 9,197 businesses filed for Chapter 11 reorganization during 2000. The proposed amendments would dramatically change the rules for every one of these businesses and for the thousands more businesses expected to file this year.

The proposed changes make it much more difficult for these businesses to reorganize successfully. The entrepreneurs and shareholders of these businesses will be affected, as will an estimated two million employees who work for businesses filing for bankruptcy and the communities across the country where these businesses buy goods and pay taxes.

I am particularly concerned about a group of provisions, sections 431–443, that target small businesses and single them out for reduced access to Chapter 11. This would be the first piece of federal legislation in history that actively discriminates against small businesses and denies them protection available to large businesses.

The impact of the small business provisions would be substantial. More than 80% of the chapter 11 cases would fall within the new constraints of ''small business'' in §420. In many communities, all the businesses would come within its sweep. Businesses that are vital to smaller communities would not have the same opportunities to reorganize as their larger counterparts.

The provisions allowing the court to combine the hearing on approval of the disclosure statement are meritorious. The remainder of the provisions that apply to ''small business'' (which the bill defines as any and every business with debts of $3.0 million or less) restrict the discretion of the court to control the plan confirmation process. These provisions force the court to liquidate the business or dismiss the proceedings for failure to comply with technical and burdensome reporting requirements.

Secton 434, for example, would impose regular reports on the debtor's profitability. This kind of report has very limited usefulness for the creditors because accounting profits are subject to manipulation, so that judges and creditors do not rely on them in small business cases. Instead, they look at the debtor's cash disbursements and receipts. Nonetheless, these reports may be very difficult and expensive for small businesses to produce on a monthly basis. A debtor that fails to produce it faces dismissal—with the inevitable loss of jobs. The deadlines in the bill impose a similar stranglehold on the business regardless of the progress of the case toward successful reorganization. The 175-day deadline in §438 and the inconsistent 300-day deadline in §437 are artificial. They ignore, for example, the delays in plan confirmation that are beyond the debtor's control and have nothing to do with the viability of the business. For example, a state regulatory action that takes places outside of the bankruptcy court may need to run its course before a plan can be formed.

In addition, provisions outside sections 431–443 would doom small businesses. The draconian provisions of §708 and §321(d) of the bill—introducing the concept of nondischargeability in corporate reorganizations, large or small—would provide a major setback to the rehabilitation of any corporation. These provisions would fall especially hard on small businesses that could not afford increased litigation costs and would be destroyed by a single recalcitrant creditor. The provisions are particularly counterproductive because §708 punishes the wrong people. The appropriate remedy when management has misbehaved is to file the management and to sue them personally, not to saddle the surviving company with litigation that will sink it and repayments that will come out of the pockets of the innocent creditors. By permitting litigation over nondischargeability, the innocent creditors are put to the choice of letting one creditor take all the assets of the business or litigating nondischargeability. Most will choose to fight rather than give up, but if everyone fights, the case is prolonged, assets are dissipated and no one wins except the lawyers.

This provision hinders reorganizations without doing anything to hold the right people accountable for the false statements.

Before the adoption of the 1978 Code, Congress has implemented a system by which small businesses and large businesses were to be dealt with separately in reorganization. The difference was that Congress had decided that more constraints should be imposed on big businesses than on small ones. Congress understood that small businesses already in financial trouble have the best chance to reorganize and pay their creditors if they are not saddled with an expensive administrative apparatus.

This bill stands that laudable, common sense concept on its head. A decision by Congress in 2001 that small businesses should bear greater costs, face shorter deadlines, file more papers and lose any flexibility that a supervising judge might provide is a decision to shut down small businesses simply because they are small.

There are no data to suggest that entrepreneurs are abusing the bankruptcy system or that they are somehow less trustworthy than people running bigger businesses. To single out the hardworking men and women who run these businesses for unfavorable treatment solely on the basis of their size is indefensible. I hope you will persuade your colleagues to strike these provisions from the bill.

Very Truly Yours,

ELIZABETH WARREN,
Leo Gottlieb Professor of Law.

Mr. KERRY. Mr. President, the provisions included in the Bankruptcy Reform Act impose new technical and burdensome reporting requirements for small businesses that file for bankruptcy that are far more stringent on small businesses than they are on big businesses. Furthermore, the bill would provide creditors with greatly enhanced powers to force small businesses to liquidate their assets at a time it may not be advisable, and with reporting requirements that may, in fact, force a liquidation that does not have to take place.

Specifically, the bill will require small businesses to provide periodic financial and other reports containing information ranging from cash receipts, cash disbursements, and comparisons of actual cash receipts and disbursements with projections in prior reports.

Just in case they missed anything, the bill includes a provision that includes reports on such matters as are in the best interests of the debtor and the creditors. This shifts all of the power in such a way as to place an extraordinary burden on mom-and-pop stores and mom-and-pop operations and small businesses that simply do not have the capacity to be able to comply.

Any big business would have difficulty complying with these burdensome requirements. But I think we ought to measure what we are doing here against the necessity that we see in the declining number of bankruptcies, the declining level of assets that are at stake, and the great upside of what these entities provide to the country.

So for that reason, I hope my colleagues will join me in specifically asking for a study, a short-term study, that will enable us to better judge whether these changes in the current system are needed. I believe we ought to do everything possible to ensure the viability of small businesses and to assist in fostering entrepreneurship in the economy. The Bankruptcy Reform Act, as it is today constructed, does not meet that challenge.

I ask my colleagues to join me in removing the small business provisions, undertake the study, and then we can revisit it, if we need to, based on a sound analysis of precisely how we might proceed in a least intrusive, a least burdensome manner.

I thank the Chair.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be.

The yeas and nays were ordered.

Mr. KERRY. I recognize my colleague probably wants to set the time for that vote at some future time. That is fine with me.

Mr. GRASSLEY. Thank you.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am not going to respond to the substance of the amendment but to give some background on where we have come over the last 5 or 6 years on this legislation for the consideration of people who will want to debate against the amendment by the Senator from Massachusetts.

I suggest to you that when Senator Heflin from Alabama was a Member of the Senate, he and I served as either chairman or ranking member of the judiciary subcommittee on courts that has jurisdiction over bankruptcy issues for the period of time that he and I served together in the Senate, which, I think, was 16 years—1980 to 1996.

Just prior to that time, and my coming to the Senate, the Senate had adopted the last bankruptcy reform legislation, which I think was in 1978 or 1979.

During the period of time he and I served as either chairman or ranking member—depending upon which party was in the majority—he and I sponsored some technical corrections and some small changes to the last major overhaul of the bankruptcy law. But as time went on, into the early 1990s, Senator Heflin and I came to the conclusion that there were changes in the economy—the globalization of the economy and a lot of other reasons—and that we ought to give considerable attention to greater changes of the bankruptcy code rather than the very small changes we enacted from time to time during the 1980s.

He and I also came to the conclusion we would probably not have the time, as the two Senators shouldering the responsibilities on bankruptcy legislation, to do it through our subcommittee. So we set up the Bankruptcy Commission of which this legislation we are dealing with now is a product. That commission was not made up of any Members of Congress. It was made up of appointees by legislative leaders and by the President of the United States. These people truly are authorities in bankruptcy legislation, including Professor Warren from Harvard, who was rapporteur for the commission, and is the person Senator KERRY was quoting. And he put a letter in the RECORD that was from her.

The commission studied the issues for over a year, and put a lot of work into recommendations for both consumer bankruptcy and for business bankruptcy reform. There was an awful lot within the commission on consumer bankruptcy reform that was very controversial and did not have even near-unanimous recommendations. There was a majority report, but not an overwhelming majority report, on consumer bankruptcy.

But when it came to the recommendations of the commission on business bankruptcy reform, the recommendations of the commission came down to the Congress on an 8–1 vote.

So we are being asked by the Senator from Massachusetts to do this amendment for the sake of small business. I think it is essential that all of us take into consideration the needs of small business; so I do not find fault with the interests he is trying to espouse here. But I think we need to take into consideration that his amendment is taking the business bankruptcy provisions of our bill and setting them aside and asking us to study what we should do in regard to business bankruptcy reform.

I don't think enough has changed in the last 4 or 5 years that an 8–1 recommendation of the Bankruptcy Commission for business bankruptcy reform should be undone by this amendment of the Senator from Massachusetts.

I hope people will take into consideration the work Senator Heflin and I—we alone, almost totally for the rest of the Senate—had put into bankruptcy legislation through the 1980s into the 1990s, and particularly our recommendation of going to a commission instead of our doing it, so we would have the most expertise involved with the changes and the reforming of business and personal bankruptcy. We set this commission up to do exactly what it did. It came out with an overwhelming recommendation that is before the Senate.

Beyond that, in the period of time of 1997–1998, when we moved the commission's recommendations through the Senate, through the House, through conference, through the House a second

time, dying on the floor of the Senate because it came late in the session, and then starting over again with the same commission recommendations in 1999, moving it through the Senate, moving it through the House, moving it through conference, moving it through the House, moving it through the Senate, moving it to the President of the United States where it was subjected to a pocket veto—through all of this consideration of the Bankruptcy Commission's recommendations, there has been little dispute about the business provisions compared to the more controversial aspects of the consumer and personal bankruptcy recommendations of the commission.

That is directly related to the fact that the commission's recommendations came out 8–1 and, almost unchanged, have become the legislation that first Senator DURBIN and I introduced and then, because Senator DURBIN was not on the Judiciary Committee in the Congress of 1999 and 2000, it was Senator TORRICELLI who joined me in introducing bankruptcy legislation. That was introduced in exactly the same way in the last Congress, as a result of our moving ahead with the same conference report that President Clinton pocket vetoed for the underlying legislation that we have before us, almost unchanged again, in legislation introduced as the Grassley-Torricelli-Biden-Hatch-Sessions legislation that is before us.

I don't know why all of a sudden somebody thinks we ought to throw these fairly noncontroversial small business and business bankruptcy provisions out of this bill for further study. Each Member of this body is going to have to make up his or her mind on the substance of the amendment by Senator KERRY. I want them to at least understand that we are where we are now not by some flippant decision of a couple Members of the Senate that we should be here, rather that these provisions are the recommendations of a study of the bankruptcy commission. So the small business provisions we have now before us are based on a study of a commission and recommended by that commission on an 8–1 vote.

I yield the floor and ask unanimous consent to set aside the amendment of the Senator from New York, the Senator from Massachusetts, so we can now proceed to the amendment of the Senator from California.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from California is recognized.

AMENDMENT NO. 27

Mrs. FEINSTEIN. Mr. President, I thank the manager of the bill, the distinguished Senator from Iowa. I call up amendment No. 27.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself, Mr. JEFFORDS and Mr. DURBIN, proposes an amendment numbered 27.

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

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

The amendment (No. 27) is as follows:

(Purpose: To make an amendment with respect to extensions of credit to underage consumers)

At the end of Title XIII, add the following:

SEC. 1311. ISSUANCE OF CREDIT CARDS TO UNDERAGE CONSUMERS.

(a) APPLICATIONS BY UNDERAGE CONSUMERS.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(8) APPLICATIONS FROM UNDERAGE OBLIGORS.—

''(A) PROHIBITION ON ISSUANCE.—Except in response to a written request or application to the card issuer that meets the requirements of subparagraph (B), a card issuer may not—

''(i) issue a credit card account under an open end consumer credit plan to, or establish such an account on behalf of, an obligor who has not attained the age of 21; or

''(ii) increase the amount of credit authorized to be extended under such an account to an obligor described in clause (i).

''(B) APPLICATION REQUIREMENTS.—A written request or application to open a credit card account under an open end consumer credit plan, or to increase the amount of credit authorized to be extended under such an account, submitted by an obligor who has not attained the age of 21 as of the date of such submission, shall require—

''(i) submission by the obligor of information regarding any other credit card account under an open end consumer credit plan issued to, or established on behalf of, the obligor (other than an account established in response to a written request or application that meets the requirements of clause (ii) or (iii)), indicating that the proposed extension of credit under the account for which the written request or application is submitted would not thereby increase the total amount of credit extended to the obligor under any such account to an amount in excess of $2,500 per card (which amount shall be adjusted annually by the Board to account for any increase in the Consumer Price Index);

''(ii) the signature of a parent or guardian of that obligor indicating joint liability for debts incurred in connection with the account before the obligor attains the age of 21; or

''(iii) submission by the obligor of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.

''(C) NOTIFICATION.—A card issuer of a credit card account under an open end consumer credit plan shall notify any obligor who has not attained the age of 21 that the obligor is not eligible for an extension of credit in connection with the account unless the requirements of this paragraph are met.

''(D) LIMIT ON ENFORCEMENT.—A card issuer may not collect or otherwise enforce a debt arising from a credit card account under an open end consumer credit plan if the obligor had not attained the age of 21 at the time the debt was incurred, unless the requirements of this paragraph have been met with respect to that obligor.

''(9) PARENTAL APPROVAL REQUIRED TO INCREASE CREDIT LINES FOR ACCOUNTS FOR WHICH PARENT IS JOINTLY LIABLE.—In addition to the requirements of paragraph (8), no increase may be made in the amount of credit authorized to be extended under a credit card account under an open end credit plan for which a parent or guardian of the obligor has joint liability for debts incurred in connection with the account before the obligor attains the age of 21, unless the parent or guardian of the obligor approves, in writing, and assumes joint liability for, such increase.''.

(b) REGULATORY AUTHORITY.—The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out paragraphs (8) and (9) of section 127(c) of the Truth in Lending Act, as amended by this section.

(c) EFFECTIVE DATE.—Paragraphs (8) and (9) of section 127(c) of the Truth in Lending Act, as amended by this section, shall apply to the issuance of credit card accounts under open end consumer credit plans, and the increase of the amount of credit authorized to be extended thereunder, as described in those paragraphs, on and after the date of enactment of this Act.

Mrs. FEINSTEIN. Mr. President, I offer this amendment cosponsored by Senator JEFFORDS and Senator DURBIN.

The amendment would put a $2,500 cap on any credit card issued to a minor—that is, an individual under 21—unless the minor submits an application with the signature of his parent or guardian indicating joint liability for debt or the minor submits financial information indicating an independent means or an ability to repay the debt that the card accrues.

The amendment would give parents who cosign for liability on their child's credit card the opportunity to have some say in the credit limit on the card.

Why is this amendment needed? Supporters of bankruptcy reform have justified this bill on the basis of personal responsibility. I agree with that basic presumption. Responsible debtors should pay back the debts they can afford to repay. The bill, however, must be balanced. If Congress really intends to tackle the surging tide of bankruptcy cases, our laws must enforce responsibility on the part of creditors as well.

One area where I think creditors must show more responsibility is the marketing of credit cards to minors. For those under 18, there are some protections. In each of the 50 States, juveniles under 18 lack the authority to sign contracts with narrow exceptions. Thus, if a credit card company issued a card to a 15-year-old, the company would not be able to legally enforce its debt in bankruptcy court.

Yet, there is a gaping loophole with respect to college students. It is almost impossible for students on campus to avoid credit card offers. Applications are stuffed in plastic bags at the campus bookstore, solicitations hang from bulletin boards, and credit card representatives set up tables at student

unions, enticing students with free gifts.

Credit cards are increasingly pressed on college students, even those with no income or no credit history. A parent's signature is not required. With their low monthly payments, these cards are very attractive to cash-strapped students and appear to impose little financial burden.

Minors today are getting credit cards at younger and younger ages. In 1994, 66 percent of college students with at least one card received their first card before college or during their freshman year. In 1998, 81 percent had received their first card by the end of their freshman year.

The cards are attractive because minimum payments are typically low. However, if students just make the minimum payments, they get in way over their heads.

For example, if a student makes just a $25 minimum payment on a $1,500 line of credit, at 19.8 percent interest, it will take 282 months to pay off the debt.

Not surprisingly, with credit cards flooding college campuses, student debts are rising.

Nellie Mae, the student loan giant, found that 78 percent of undergraduate students who applied for credit-based loans with Nellie Mae in the year 2000 had credit cards. This is up from 67 percent in 1998.

Of the 78 percent of undergraduates who had credit cards in Nellie Mae's Year 2000 study, the average student had three cards, with 32 percent having four or more credit cards.

The average debt of these credit-card owning undergraduates was $2,748. This is up from an average of $1,879 in Nellie Mae's 1998 study. Some 13 percent of these students had balances of $3,000 to $7,000 and 9 percent owed amounts exceeding $7,000.

Traditionally, American youth under 25 have contributed marginally to the ranks of our nation's bankruptcy filers.

However, over the past 10 years, our youth have represented a larger and larger slice of those who file for bankruptcy.

In 1996, only 1 percent of personal bankruptcies were by those age 25 or younger. By 1998, that number had risen to almost 5 percent. In 1999, a year later, the number rose to 6.8 percent of all bankruptcy filers.

In committee, I was asked the question: What does this have to do with bankruptcy? I would like to answer it. A seven times greater percentage of minors are filing for bankruptcy today than just 5 years ago, and the great bulk of this is credit card debt.

Credit cards are a major factor in student and youth debt. For example, at the Consumer Credit Counseling Service of Greater Denver, more than half of all clients are ages 18 to 35. On average, they have 30 percent more debt than all other age groups.

Let me give you a couple of examples of the runup of credit card debt that has plagued so many unwary youth.

A USA Today article on February 13, 2001, describes the case of Jennifer Massey. As a freshman at the University of Houston, Jennifer signed up for a credit card. She got a free T-shirt. A year later, she had piled on $20,000 in debt on 14 credit cards.

Another case: A young Mexican American from Los Angeles declared bankruptcy just last July after racking up $20,000 in credit card expenses. Most of it was for clothes, dinners, and drinks with friends.

A West Virginia student saddled with student loans filled out applications for 10 major credit cards and was approved for every single one—showing no ability to repay that debt.

A youngster at Georgetown University fell into debt totaling over $10,000. Unable to make even the minimum payments, she had to turn to her parents in order to bail her out.

Alex, a college freshman, found himself over $5,000 in credit card debt by the end of his first semester. His parents had to take out a loan to pay off his debt to the credit card company. When Alex graduated in 1999, his family was still making payments on the loan to pay off his debt from his freshman year.

Let me give you the case of Sean Moyer. He was a student at the University of Oklahoma who ran up more than $10,000 in debt. The crushing debt was one of the factors he cited before committing suicide on February 7, 1998, at the age of 22.

Contrary to what you may hear from the opposition to this amendment, this amendment is not about the right of an 18-year-old to get a credit card. I have no problem with that. The concern is the unlimited credit that the youngster can place on that card.

Like any other adult who seeks credit, a minor who has independent means to repay debts is entitled to credit based on his ability to pay. A minor with adequate resources, or with a parental cosigner, can get a credit limit under this amendment of $5,000, $10,000, or $20,000.

I just want to say that this amendment places the $2,500 debt limit on each credit card—not the combination of credit cards, but each credit card. We think it is fair, and we think it is responsible.

During a recent ''60 Minutes II'' interview, sources in the credit card industry stated that even if a student's application for credit indicates no source of income, the student still gets approved for credit. The credit card company assumes that the student has other means to pay because they buy books, clothes, CDs, or that a parent is going to bail them out.

So without this amendment, credit card companies can continue to lend reckless amounts of money to college students that any reasonable inquiry into the student's financial status would indicate the student could not afford. Then, when a student can't pay his or her debt, the lender can pressure the parent to assume the liability or use the full power of the bankruptcy court to recover the amount it is owed.

The bankruptcy court should not be used as a collection agency for ill-advised extensions of credit to college students by credit card lenders.

I also want to briefly discuss the section of this amendment that would give a parent who cosigns for a credit card some measure of control over future expansion of credit limits on the card. Under current law, if a parent assumes joint liability for a credit card with his or her minor child, the parent has no control over the debt limit on the card. A credit card company can raise the debt limit without consulting the parent. The credit card company can even raise the debt limit if the parent expressly objects to any further increase.

Let me give you a case written up in the Los Angeles Times. I ask unanimous consent that the Times story be printed in the RECORD at the end of my remarks.

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

(See Exhibit 1).

Mrs. FEINSTEIN. This is the case of Dr. James Whitemore, a retired surgeon from Carson, CA. When his son Quentin entered Cal-State Dominguez Hill, Dr. Whitemore cosigned his son's application for credit with the stipulation that the debt limit remain at $500. But without Dr. Whitemore's knowledge, MBNA, the credit card issuer, raised his son's credit limit repeatedly until it finally reached $9,000. After several years, Quentin's balance reached $9,089 and MBNA determined his account to be delinquent.

MBNA, then rediscovered Dr. Whitemore. After failing to contact the doctor as it increased his son's liability, the company then demanded that Dr. Whitemore assume responsibility for the debt as guarantor. I think this is wrong. This amendment would correct that.

I also want to respond to those who question the link between credit card debt and bankruptcy. All-purpose credit card debt is the most frequently listed debt in bankruptcy files. Eighty-eight percent of the debtors in bankruptcy have credit card debt of some kind.

According to a study by Harvard Professor Elizabeth Warren, the median debtors in bankruptcy are carrying six times higher credit card debts than other cardholders.

Homeowners in the United States spend, on average, about $18 of every $100 of take-home pay for principal, interest, taxes, and insurance on their

mortgage payments. A family spending more than $28 is considered house poor. Median debtors in bankruptcy owe $47 of each $100 of income to their credit card.

Experts who testified before Congress on this issue have linked the share rise in consumer debt and the corresponding rise in consumer bankruptcy to lower credit standards.

As I have said, today, a seven times greater percentage of youth go through bankruptcy than did 5 years ago. So this is clearly a problem that is increasing.

I don't believe minors should have their credit histories ruined when they take their first steps as adults; nor should we put parents in the position of having to bail out their kids to protect their kids' future credit rating. A credit card limit, per card, of $2,500, I believe, is prudent and wise. If a youngster wants to go beyond that, they have to show that they can pay it back or, secondly, have a parent or guardian cosign.

I am very pleased to join with Senator JEFFORDS and Senator DURBIN in presenting this amendment.

EXHIBIT 1

[From the Los Angeles Times, Jan. 17, 1999]

SON'S DEBT PLAGUES DAD FOR 7 YEARS

(By Kenneth Reich)

Guaranteeing a credit card for a child about to go off to college is fairly common, but it seldom generates as much trouble as it did for Dr. James H. Whitmore, a retired surgeon from Carson.

He has been through a seven-year drama that is not over yet.

When his son, Quentin Whitmore, entered Cal State Dominguez Hills in 1992, he wanted him to have a credit card. This is natural, since even if, as in this case, the child is going to be close to home, the parent knows he will be more on his own and may need emergency financial resources.

And so, after some exploring, Whitmore agreed to co-sign his son's application with MBNA of Wilmington, Del. ''This I did with the stipulation that his credit limit be $500,'' he recalls.

At first, all went well. Quentin Whitmore was making small payments on the card out of the allowances his dad gave him.

But then, without ever notifying his dad, MBNA, which describes itself as ''the largest independent credit card lender in the world with $59.6 billion in loans,'' repeatedly raised young Whitmore's credit limit. It finally hit $9,000.

By the end of 1996, the balance on the card, including late charges, reached $9,089, and MBNA declared the account delinquent. It informed Whitmore Sr. that he owed that amount as guarantor.

The doctor refused to pay. As MBNA put the sum out for collection and subsequently entered a bad credit report against both father and son, Whitmore insisted he had never authorized raising the limit and therefore was not responsible for the debts on the card above $500. He did send in $500.

I asked Whitmore whether he wasn't teed off at his son too.

''I remonstrated with my son and guess what happened?'' he said. ''His grades went from A's to nothing. One entire year was wasted.''

Quentin Whitmore, now 24 and still a Dominguez Hills student, explained it this way:

''When I received the credit raises, I assumed [my father] had approved them. I never thought to call him, because at the outset MBNA had agreed not to raise the limits unless he gave his approval.''

A Quicken survey last year revealed nearly half of college students bounce checks, 71% of those with cards fail to pay off balances monthly and most estimate that they will have $15,000 in debt before graduation. So young Whitmore's extravagance, or needs, may not be that unusual.

I asked MBNA whether it would acknowledge a mistake in raising young Whitmore's limit so high.

That was indeed a mistake, said Brian Dalphon, a MBNA senior vice president. He said his credit account was never coded as either a student or a guarantor account, as it should have been.

''When we assign a credit line to a student, it's at a lower limit, initially $500 [as in Whitmore's case],'' he explained. ''And we're very conservative with it. We don't raise the limits very quickly. A typical credit line for a student remains at $500 to $1,000.''

When Dr. Whitmore was first billed as the guarantor, however, he was unsuccessful for months in resisting. Finally, the Los Angeles County Consumer Affairs Department agreed to intervene for him.

Timothy Bissell, the agency's assistant director, observed, ''As a matter of contract law, MBNA could not hold him responsible for a higher amount than $500 unless they had notified him they were raising the credit limit.''

* * *

On Oct. 27, 1997, 10 months after trying to bill Dr. Whitmore, MBNA First Vice President Edward Matthews informed the department that the doctor was being absolved of responsibility for the debt above $500 and that a bad reference was being stricken from his credit file.

''I apologize for any inconvenience Dr. Whitmore has been caused by this situation,'' he wrote. ''Due to a keying error when the account was established in 1992, the account received automatic credit line increases until December 1996 as a result of Quentin Whitmore's previous satisfactory payment history.''

But, at that time, the nature of the keying error was left obscure. And the ''satisfactory payment history'' was left undetailed.

The Whitmores say the delinquency took the better part of a year to develop, after payment requests far outstripped young Whitmore's ability to pay.

Quentin Whitmore's account has now been closed, Dalphon said.

But, Dr. Whitmore said, his son will keep his bad credit rating for several years, and six months ago, when the senior Whitmore last checked, he said he found his own credit record still impaired.

MBNA proposed 18 months ago to forgive 50% of Quentin Whitmore's balance if he agreed to pay monthly installments of $378.

But Dr. Whitmore said his son ''has absolutely no income'' as he continues his studies.

''So I called them and told them that if they would remove all the late charges, the excess limit charges and reduce this to the absolute minimum that he originally charged, then I would negotiate a settlement with them under these conditions and pay them off myself, But they refused.''

Dalphon declined to say whether MBNA continues to try to collect.

Dr. Whitmore remains unhappy.

''I do not feel that MBNA's hands are clean in this matter,'' he said. ''If the limits on this account had not been raised, then my son would not have been able to abuse it. If what the credit card companies are doing to our youth before they can develop a sense of financial responsibility is legal, then new laws are needed.''

But, of course, MBNA denies its policy is to raise limits on students. It maintains that what happened was another of these electronic glitches I sometimes write about.

Mrs. FEINSTEIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator ask that the pending amendments be laid aside?

Mr. SESSIONS. I object. We want to see a copy before we change the order of business.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum. I am glad to share it with the Senator.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 28

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the pending amendment be set aside so I can call up an amendment that is at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. DASCHLE, Mr. LEAHY, Mr. DORGAN, Mr. KENNEDY, Ms. MIKULSKI, Mr. LEVIN, Mr. DODD, Mr. SCHUMER, Mr. BREAUX, Mr. DURBIN, Mr. KERRY, Mr. DAYTON, Ms. CANTWELL, Mr. CORZINE, Mrs. CLINTON, Mr. REID, Mr. AKAKA, Mrs. CARNAHAN, Mr. ROCKEFELLER, Mr. CONRAD, Mr. WELLSTONE, Ms. LANDRIEU, Mr. KOHL, Mr. NELSON of Nebraska, Mr. REED, Mr. LIEBERMAN, Mr. BAYH, Mr. SARBANES, Ms. STABENOW, Ms. LINCOLN, Mr. HOLLINGS, Mr. DOMENICI and Mrs. BOXER, proposes an amendment numbered 28.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To increase the authorization of appropriations for low-income energy assistance, weatherization, and State energy emergency planning programs, to increase Federal energy efficiency by facilitating the use of private-sector partnerships to prevent energy and water waste, and for other purposes)

At the appropriate place in the bill, add the following:

TITLE—EMERGENCY ENERGY ASSISTANCE AND CONSERVATION MEASURES

SEC. 01. SHORT TITLE.

This title may be cited as the 'Energy Emergency Response Act of 2001'.

SEC. 02. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) high energy costs are causing hardship for families;

(2) restructured energy markets have increased the need for a higher and more consistent level of funding for low-income energy assistance programs;

(3) conservation programs implemented by the States and the low-income weatherization program reduce costs and need for additional energy supplies;

(4) energy conservation is a cornerstone of national energy security policy;

(5) the Federal Government is the largest consumer of energy in the economy of the United States; and

(6) many opportunities exist for significant energy cost savings within the Federal Government.

(b) PURPOSES.—The purpose of this title are to provide assistance to those individuals most affected by high energy prices and to promote and accelerate energy conservation investments in private and Federal facilities.

SEC. 03. INCREASED FUNDING FOR LIHEAP, WEATHERIZATION AND STATE ENERGY GRANTS.

(a) LIHEAP.—(1) Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended by striking the first sentence and inserting the following: ''There are authorized to be appropriated to carry out the provisions of this title (other than section 2607A), $3,400,000,000 for each of fiscal years 2001 through 2005.''.

(2) Section 2605(b)(2) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)) is amended by adding at the end the following:

''And except that during fiscal year 2001, a State may make payments under this title to households with incomes up to and including 200 percent of the poverty level for such State;''.

(b) WEATHERIZATION ASSISTANCE.—Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended by striking ''For fiscal years 1999 through 2003 such sums as may be necessary'' and inserting: ''$310,000,000 for fiscal years 2001 and 2002, $325,000,000 for fiscal year 2003, $400,000,000 for fiscal year, and $500,000,000 for fiscal year 2005.''.

(c) STATE ENERGY CONSERVATION GRANTS.—Section 365(f) of the Energy Policy and Conservation act (42 U.S.C. 6325(f)) is amended by striking ''for fiscal years 1999 through 2003 such sums as may be necessary'' and inserting: ''$75,000,000 for each of fiscal years 2001 through 2005''.

SEC. 04. FEDERAL ENERGY MANAGEMENT REVIEWS.

Section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) is amended by adding at the end the following:

(e) PRIORITY RESPONSE REVIEWS.—Each agency shall—

''(1) not later than October 1, 2001, undertake a comprehensive review of all practicable measures for—

(A) increasing energy and water conservation, and

(B) using renewable energy sources; and

''(2) not later than 180 days after completing the review, implement measures to achieve not less than 50 percent of the potential efficiency and renewable savings identified in the review.''

SEC. 05. COST SAVINGS FROM REPLACEMENT FACILITIES.

Section 801(a) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)) is amended by adding at the end the following:

''(3)(A) In the case of an energy savings contract or energy savings performance contract providing for energy savings through the construction and operation of one or more buildings or facilities to replace one or more existing buildings or facilities, benefits ancillary to the purpose of such contract under paragraph (1) may include savings resulting from reduced costs of operation and maintenance at such replacement buildings or facilities when compared with costs of operation and maintenance at the buildings or facilities being replaced.

''(B) Notwithstanding paragraph (2)(B), aggregate annual payments by an agency under an energy savings contract or energy savings performance contract referred to in subparagraph (A) may take into account (through the procedures developed pursuant to this section) savings resulting from reduced costs of operation and maintenance as described in subparagraph (A).''.

SEC. 06. REPEAL OF ENERGY SAVINGS PERFORMANCE CONTRACT SUNSET.

Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is repealed.

SEC. 07. ENERGY SAVINGS PERFORMANCE CONTRACT DEFINITIONS.

(a) ENERGY SAVINGS.—Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended to read as follows:

''(2) The term 'energy savings' means a reduction in the cost of energy, water, or wastewater treatment from a base cost established through a methodology set forth in the contract, used by either—

''(A) an existing federally owned building or buildings or other federally owned facilities as a result of—

''(i) the lease or purchase of operating equipment, improvements, altered operation and maintenance, or technical services;

''(ii) more efficient use of existing energy sources by cogeneration or heat recovery, excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities; or

''(iii) more efficient use of water at an existing federally owned building or buildings in either interior or exterior applications; or

''(B) a replacement facility under section 801(a)(3).''.

(b) ENERGY SAVINGS CONTRACT.—Section 804(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(3)) is amended to read as follows:

''The terms 'energy savings contract' and 'energy savings performance contract' mean a contract which provides for—

''(A) the performance of services for the design, acquisition, installation, testing, operation, and, where appropriate, maintenance and repair, of an identified energy, water conservation, or wastewater treatment measure or series of measures at one or more locations; or

''(B) energy savings through the construction and operation of one or more buildings or facilities to replace one or more existing buildings or facilities.''.

(c) ENERGY OR WATER CONSERVATION MEASURE.—Section 804(4) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(4)) is amended to read as follows:

''The term 'energy or water conservation measure' means—

''(A) an energy conservation measure, as defined in section 551(4) (42 U.S.C. 8259(4)); or

''(B) a water conservation measure that improves the efficiency of water use, is life cycle cost effective, and involves water conservation, water recycling or reuse, improvements in operation or maintenance efficiencies, retrofit activities or other related activities, not affecting the power generating operations at a Federally-owned hydroelectric dam''.

Mr. BINGAMAN. Mr. President, the amendment we are now discussing and that I have offered on behalf of myself and over 30 cosponsors addresses an important problem that is being felt this winter all across America. High energy costs have hit low-income and working Americans hard this winter, and this coming summer promises to be just as expensive in many parts of our country.

The high heating bills this winter are the result of a combination of two primary factors: First, higher demand resulting from colder than average weather across the country, we have just seen another major snowstorm in the Northeast, and second, a supply shortfall that stems from lack of drilling 2 years ago when the oil and gas prices were so low.

The combination of these two factors has resulted in natural gas and propane bills that are as much as 200 percent higher this year than they were last year. Heating oil prices have been well above last year's average as well. Natural gas prices and tight generating capacity are driving up electricity prices around the country. Of course, California is the area of our country that has gotten the most attention in this regard, but electricity prices in other parts of the country have also escalated.

We can predict now that many people in southern States will be especially burdened this summer because of the high cost of trying to maintain air-conditioning.

Applications for energy assistance have increased dramatically this year. Over 5 million households in the United States may be unable to pay their energy bills this winter. That is a figure that is up substantially from last year. The State-by-State increase in caseloads coming from assistance requests is illustrated on this chart that is provided by the National Energy Assistance Directors Association.

When one looks at some of the figures on this chart, the point I am making becomes very clear. The chart is titled, ''Low-Income Home Energy Assistance Program, Increase in Caseloads'' as of the First of March.

As of the first of March, the increase in caseloads in my State this year over

last year is 100 percent. We have twice as many people requesting assistance. In Oklahoma, it is 50 percent above last year. In Louisiana, it is 91 percent above last year. In Mississippi, it is 50 percent above last year. I can go all around this chart and one can see the increases different States have experienced. There are over 20 States reporting increases greater than 26 percent.

I ask unanimous consent that a copy of the survey detailing the critical situation we have in each of our States be printed in the RECORD at the end of my statement.

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

(See exhibit 1.)

Mr. BINGAMAN. Mr. President, many consumers who cannot pay their energy bills have been protected so far by the so-called cutoff laws. Those are laws which prohibit utility companies from terminating service to customers during the winter. But these prohibitions against terminating utility service expire in March or in April, and when they do, the seriousness of the situation for low-income working Americans will become harshly obvious to all of us.

According to a recent survey by the National Council of State Legislators, 18 States have extended income eligibility limits because so many people just above the current thresholds are struggling to pay their utility bills. Thirty-one States either have already increased or hope to increase benefit levels in an effort to keep net costs to those in need at the same level as in previous winters. Many States have expressed a serious need for additional funds to extend eligibility and benefit levels.

The reality is that many States have already depleted their LIHEAP and weatherization funding, the funding that we appropriated for these programs in the last year. Without additional funds, assistance to low-income working families for the summer cooling season is going to be impossible.

People tend to forget the severe toll the summer heat takes on many people in this country, particularly on our senior citizens. Just last year, the State of Texas was forced to impose a moratorium on utilities cutting off service during the summer. Usually there is a moratorium against cutting off utility service during the winter, but Texas was forced to impose it in the summer.

According to the Austin American Statesman of August 11, 2000:

> With 54 heat-related deaths across Texas this summer, the state Public Utilities Commission on Thursday stopped electric companies from shutting off service for nonpayment until the end of September. The commission wanted to prevent any more deaths because fans or air conditioners were just not used for fear of high bills.

The Texas experience last summer was especially heartbreaking in its magnitude—54 deaths. But this was not the first time this circumstance has occurred and it will not be the last.

The chairman of the Texas commission lamented the fact that the process had taken so long. A moratorium on disconnections helps with the immediate problem of no service, but it does not address the bill that will eventually have to be paid by each of these families.

Many who remember the days of childhood without air-conditioning forget the fact that most of us, including myself, did not live in the midst of concrete cities. These cities have been referred to as modern-day heat islands. During the summer, not just in the Southern States, it is our parents and grandparents who are most vulnerable during heat waves. Unfortunately, many seniors living on fixed incomes often consider air-conditioning a luxury, not a health necessity.

This is not a partisan issue. The provisions of this amendment are the same or very similar to those contained in the bill introduced by Senator MURKOWSKI, the same bill the majority leader cosponsored last week when he declared his support for LIHEAP on the Senate floor. But, he declared his support for it as part of a broader package that will not be brought to the floor until several months in the future.

I hope the vision of a one-shot comprehensive energy bill does not cause delay our acting on such an immediate need, especially when human lives are at stake. Especially given the administration has been saying it will not even have a proposal to us for several more months. It seems every time they report on their progress it is to report the 2-month clock is starting again. Clearly, they are working in good faith on a comprehensive bill or comprehensive set of proposals for dealing with our long-term energy problems, but that does not relieve us of the responsibility to deal with this immediate problem and to deal with it now.

I support taking a comprehensive look at energy. I think it is important to have a balanced framework in order to evaluate the various tradeoffs. In fact, I am working with colleagues in the Senate to put such a bill together. My experience is the last time the Congress passed a major energy bill, the Energy Policy Act of 1992, it took an entire Congress and it resulted in a Christmas tree with several strong branches on which to hang many ornaments, a tremendous number of which were never implemented and were never funded by the Congress.

That is not the best approach to take in dealing with this immediate problem. Energy issues are complex, they often involve billions of dollars of investment, in very long-lived capital equipment. We need to focus on manageable sections in the interest of developing the best policy outcomes based on a common set of principles.

I have a chart that shows what I consider to be fundamental principles for a long-term energy policy. I want to make the point that this amendment I am now talking about, and urging my colleagues to consider, is not an alternative to a long-term bill, but is consistent with such a framework. It is only distinct in that we are dealing with an immediate problem.

These are some common principles that need to be dealt with for a successful long-term energy strategy. Let me briefly mention them.

First, we need a new model of Federal-State cooperation to ensure reliable and affordable energy supplies. If we had had better coordination in the past, perhaps we would not be needing to consider the amendment I have brought up today. That we don't have them in place is not the fault of the federal government or that of any individual state. By their very definition, restructured markets have changed the very framework upon which many of our energy policies and institutions were based.

Second, fuel and technology diversity need to be increased and emphasized. We need to have improved distribution systems for energy.

Third, we need to have a balance of supply-and-demand-side options with a commitment to efficiency, environmental quality and climate change mitigation.

Fourth, we need targeted tax and economic incentives to address market failures. We all recognize there are market failures, there are inefficiencies in the market.

Finally, we have to have comprehensive research and development in order to ensure a full complement of technologies and fuels to meet our energy needs.

All five of these items are principles for a long term policy. We are going to propose a set of provisions that incorporate those principles in the larger bill I mentioned before. But, we have immediate needs for energy assistance that cannot wait for months while we debate the very real energy issues this country faces.

It was well recognized at the time we passed the appropriations bill last year that LIHEAP funding was going to be inadequate to do the job in this current year. Individuals, families, and small businesses that are suffering today from energy bills they cannot pay cannot just wait while we debate a long term energy policy. We should not wait. To borrow a catch phrase from President Bush, they need an immediate helping hand.

The amendment I am offering today takes the first concrete steps in providing that hand, that assistance, the first concrete steps to put measures in place to address this remainder of this

winter's financial distress and to deal with the high cost of electricity that we can all see coming at us this summer.

The amendment raises the authorized limits governing the low-income home energy assistance program, raising the limit to alleviate financial burdens on low- and middle-income families in the near term. At present, it is only authorized in fiscal year 2001 at the $2 billion level. That is a base level that has been relatively flat since the mid-1980s—just to show how long we have gone without any change in this authorization.

The amendment raises the base funding requirement to $3.4 billion for fiscal year 2001, each of the fiscal years 2001 to 2005. The increase comes close to addressing the erosion in the program due to inflation since President Reagan was in the White House.

The amendment also gives States additional flexibility in this fiscal year on income levels for recipients by increasing eligibility from 150 percent of poverty to 200 percent of poverty. This change only applies for the remainder of this fiscal year but will give States the flexibility to help working families and senior citizens with whatever additional funds we can send to those States. This adjustment is at the request of many of our States.

Third, the amendment raises the authorization levels for this fiscal year and succeeding years for the low-income weatherization program and the State conservation and emergency planning grants. The immediate increase in the authorization for the weatherization program of $310 million is for the remainder of this fiscal year and the fiscal year 2002 compared to the current appropriations level of $162 million. The weatherization program is a sound and long-term investment in energy efficiency. A one-time investment of weatherization yields savings of $300 to $470 per household annually thereafter. This program, however, requires trained staff. Erratic and insufficient funding of the weatherization program has diminished its effectiveness in recent years.

Increased energy efficiency is the least cost solution to meeting our energy needs. The weatherization program was funded at nearly three times the current level in the 1980s. This amendment will increase the weatherization authorization in an attempt to catch up with the 1980s level in real dollars.

The fourth thing this amendment does is increase the authorization for grants to State energy programs up to $75 million. This program funds State conservation and emergency planning. The extremely low level of funding in recent years has diminished the State's ability to implement State level conservation plans and to plan for emergencies in coordination with the Department of Energy and with neighboring States.

I cannot overemphasize how critical it is to have better coordination of overall energy planning and emergency response preparedness. The power situation in the western states is just the most recent example of where better regional planning could have reduced costs and provided greater reliability. Heating oil markets in the northeast and gasoline supply problems in the midwest last summer are just a few examples of where a little more advanced preparedness could have reduced disruption and impact on consumers. I would note that for all the lamenting the lack of an energy policy on the part of many members of this body, it was the Republican majority that eliminated coordinated emergency planning from the Department of Energy budget in 1995.

I urge the Congress to enact these amendments and to encourage the President to propose an emergency supplemental bill for these programs. Let's stop debating form over substance and get it done now.

We all know that even if we adopt the amendment I have sent to the desk, it will only increase the authorization levels for these programs. We still need the funding. I very much hope the President will take the lead in requesting the increased funding from this Congress so we can actually send the assistance to the States and it can go to the families who need it.

Finally, my amendment contains a package of provisions aimed at quickly increasing the energy efficiency of Federal facilities around the country. Many of these facilities are very wasteful in their use of energy and water—two commodities that could be in short supply this summer in many parts of the country. Federal agencies spend $4 billion per year to heat, cool, and power their facilities. Too much of that is wasted. If federal agencies aggressively reduce their energy waste, their neighbors will enjoy the benefits of increased supplies of electricity, and taxpayers will benefit by paying less for the power that would have been wasted. Under an existing Executive order, federal facilities are required to increase energy efficiency by 30 percent by 2005 and 35 percent by 2010 relative to 1985, but there is some evidence that this Executive order is not being aggressively implemented.

This amendment calls for a concerted effort by facility managers to meet the Executive order targets early, thereby saving taxpayer dollars, reducing stress on the power grid and demand for fuels. Specifically, my amendment calls for each Federal agency to complete a comprehensive review this fiscal year of all practicable measures for increasing energy and water conservation and using renewable energy sources.

The agencies then have 180 days to implement measures to achieve 50 percent of the potential savings identified in their reviews. That could result in a measurable reduction in federal energy consumption by this time next year, if we get started now.

Federal agencies could also use this authority to investigate siting new generating capacity at their facilities, to further ease stress in our power system this summer. We won't be building many new central electricity generating stations before the summer, but we could start installing a lot of distributed generation at Federal facilities, particularly proven technologies such as ground-source heat pumps, that could dramatically reduce the power requirements for heating and cooling Federal buildings.

My amendment also makes it easier for federal agencies to use partnering tools with the private sector, known as energy savings performance contracts (or ESPCs), to reduce energy costs through facility upgrade and replacement. ESPCs offer perhaps the fastest means for rapidly improving the efficiency of the existing building stock owned by Federal agencies.

These are targeted measures that will help relieve the immediate needs of our citizens who cannot cope with the high energy bills this winter, and provide incentives for the Federal government to do its part to decrease energy consumption now.

I urge the adoption of this amendment.

EXHIBIT 1

NATIONAL ENERGY ASSISTANCE DIRECTOR'S ASSOCIATION STATE-BY-STATE LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM SURVEY RESPONSES (FEBRUARY 7, 2001)

ALABAMA

The Alabama LIHEAP program estimates it will award regular benefits to 6.9% more households this year (75,000 vs. 70,146). Although higher benefits are being provided to those households that heat with propane or natural gas, more is needed since the cost of these fuels has already risen 50–65%. Alabama continues to provide weatherization and furnace repair services as part of its crisis program.

CALIFORNIA

Requests for assistance by phone are running almost 60% higher than last year at this time. California's natural gas prices have risen 40–50% this year, but definitive information is not yet available on electricity rates statewide. The state's LIHEAP program allows the maximum eligibility criteria of 60% of sate median income and plans to increase the benefit levels for this year's eligible households in response to significant increases in natural gas and electricity prices. Supplemental funds are needed to increase both the benefit levels and the number of households served. Additional funding is also needed to increase the furnace repair and replacement programs.

COLORADO

Colorado expects to serve 41% more households this year than last (75,000 vs. 53,182). Program benefit levels have been increased

by 125%, while eligibility has been expanded from 150% to 185% of the federal poverty guidelines. Natural gas and propane have doubled in price and the state's largest natural gas provider recently asked the Public Utilities Commission for another increase of about 5%. These increases have placed unreasonable burdens on low-income households, as well as those whose income is slightly over the current eligibility criteria. Colorado needs additional funds to increase eligibility to 200% of the federal poverty level, increase the benefit amount, increase outreach to ensure needy households are aware of the program, and increase funding for weatherization and the summer grants program operated by the Colorado Energy Assistance Foundation.

CONNECTICUT

Connecticut estimates it will provide LIHEAP benefits to 21% more households this year (68,000 vs. 56,340). According to representatives from the natural gas companies, prices are currently 39% higher this year and the State LIHEAP program reports oil prices are running 34.6% higher than last year. This year income limits for LIHEAP eligibility were raised to 60% of the State median income for all fuel types, as compared to last year's limit of 150% of the federal poverty income guidelines. All benefit amounts have also been increased. Additionally, $400,000 has been set aside for furnace repairs and/or replacements for households whose heating systems are determined to be unsafe or inoperable. Supplemental funding is needed in order to expand the application period. The program currently pays for fuel beginning November 1st, but would like to change that date to October 15th (the date when landlords are required to begin providing heat) and extend the last date for fuel to April 15th (the end of the utility moratorium).

DELAWARE

Delaware expects a 12.6% increase in the number of regular benefits awarded (11,500 vs. 10,215) and a 6.9% increase in the number of households receiving crisis assistance (from 2,807 to 3,000), although these numbers do not include the summer cooling assistance program. Regular LIHEAP benefits have increased an average of 20% (from $206 to $241). Some households also receive up to $400 from the crisis program, although the average is $200. Eligibility for the regular program has remained at 150% of the federal poverty guidelines, but crisis eligibility guidelines were increased to 200% of poverty. In order to respond to numerous inquiries the state has received requesting assistance with furnace repairs/replacements, additional funding is needed.

GEORGIA

The number of households assisted by Georgia's LIHEAP program is expected to double this year (120,000 vs. 60,710). LIHEAP eligibility has been expanded to 150% of the federal poverty guidelines and may be further increased to 60% of the state median income. The amount currently provided to households does not have a significant impact—the maximum $194 benefit cannot fill a propane tank so the household cannot benefit from energy assistance unless they are prepared to supplement the balance. All LIHEAP funds have been utilized for direct financial client benefit services due to the colder than usual temperatures and the rapidly rising fuel prices. Additional funding is needed to serve more households and keep the program open longer, as well as provide supplemental and crisis payments.

FLORIDA

Florida expects to serve 23% more clients this winter season than last year (42,500 vs. 34,393). In addition, the state is expecting to provide assistance this summer to an additional 31,000 clients for cooling assistance, about the same level as last year. Natural gas prices have increased by about 110%, while electricity prices at one utility have increased by 15.5%. Florida has increased its benefit level from a maximum of $300 to $1,000 per household. In addition, Florida is providing assistance to restore home power, including: paying deposits, late fees and reconnect fees; purchasing and/or repairing of non-portable heating equipment; repairing or replacing unsafe fuel oil or propane tanks; and paying fees required to assure the continuation or resumption of services. At the current rate of demand for services, the state expects to be out of funds by the end of March with little or no funds available for summer cooling. Additional funds would be used to address unmet needs and to continue providing services through the summer which is typically the state's peak demand time.

IDAHO

The number of households served by Idaho's LIHEAP program is expected to increase by 31% (30,930 vs. 23,529); average benefits are expected to increase by 14%. Fuel prices increased for natural gas by 48%; electricity by 6% and home heating oil by 40%. Although no change has been made to the LIHEAP income eligibility criteria (133% of federal poverty guidelines), this year the program application period will be extended to May 31st (rather than March 31st). Supplemental funding is needed to serve these additional eligible households, as well as to finance weatherization activities.

ILLINOIS

The number of households served by Illinois' LIHEAP program is expected to increase by 41% (350,000 vs. 247,000). Prices for natural gas, electricity, kerosene and electricity have increased from 2 to 4 times depending on the utility provider. The state has increased benefits increased by 35% and increased eligibility to 150%. If additional funding were available, the state would probably expand the program's eligibility and benefit levels.

IOWA

In Iowa approximately 21% more households have been certified and approved than last year at this time (75,000 vs. 62,000). Last year the average residential customer spent $354 on their total gas bill for the period November through March. It is projected the same customer will spend $807 for the same period this year. Although the average LIHEAP benefit has increased from $204 to $306, an additional $351 per household is needed in order for this year's participating households to have the same percentage of their total household income going towards winter gas bills as last year's participating households.

Iowa conducted a survey of last year's LIHEAP recipients to determine what these households do when faced with unaffordable bills. Over 20 percent reported going without needed medical care or prescription drugs in order to pay their heating bills and 12 percent reported without food in order to pay those same bills. The report, Iowa's Cold Winters: LIHEAP Recipient Perspective, documents an affordability crisis that existed prior to this year's rising fuel costs.

Last winter, LIHEAP recipients experienced winter home heating burdens of 8.2 percent on average—this figure does not include winter non-heat electric burdens. Heating costs represent approximately 40% of a household's total energy bill. Last winter, the LIHEAP program was able to reduce the average heating burden of 8.2% to 3.5% of total household income. For comparison, the typical non-low income household's heating burden is less than 2%. In order for this year's participating households to have the same percentage of their total household income going towards winter gas bills as last year's participating households, the Iowa LIHEAP program needs an additional $20.5 million.

To date, approximately 2,000 applications statewide that are not eligible for any benefit because the household was just over our income guidelines. Many of these households are elderly Iowans whose recent Social Security increase put them a few dollars a month over our maximum allowable income. These same households report tremendous out-of-pocket medical/prescription drug costs coupled with home energy bills they simply cannot afford without making extreme sacrifices. Federal rules would allow LIHEAP to increase our income guidelines from 150% of the federal poverty level to 185%. Unfortunately, this option cannot be considered at this time. In the absence of additional funding, the state plan's to continue to give, on average, a benefit of $306 to all eligible households that apply, and at some point in the future determine what if any supplemental payment we might be able to make.

KANSAS

Kansas expects to serve 18% more households this year (31,000 vs. 26,143). LIHEAP benefits have been increased by 31% to help offset the burden of higher gas prices—which are now more than double last year's rates. Supplemental funding is needed to provide benefits to additional eligible clients and bring the energy burdens of Kansas households to a manageable range.

MAINE

The number of households assisted by Maine's LIHEAP program is expecting to increase by 32% from (58,000 vs. 44,000). The state has already received 65,000 applicants this year, however they only have adequate funds to serve 58,000. As a result of the 40% increase in fuel costs this year, LIHEAP eligible households are utilizing the available funds so quickly the state is unable to handle the demand and all resources have been obligated. Unfortunately, the state has been forced to decrease funding for weatherizataion services, furnace repair, and administration. The income guidelines were increased from 125% of the federal poverty guidelines to 175% and the average benefit was decreased from $490 to $350 in order to serve the additional households this change would create. Maine desperately needs additional funds to increase fuel assistance benefits, increase emergency funding, and provide for furnace repair or replacement.

MASSACHUSETTS

The number of households assisted by Massachusetts' LIHEAP program is expecting to increase by 9% (123,000 vs. 113,408). Last year, LIHEAP eligibility limits were raised to 200% of the federal poverty guidelines and benefits were extended to households with incomes up to 60% of state median income that heat with oil or propane. If the household's consumption exceeds the threshold established for the fuel type, 50% is added to the excess over the threshold or the high energy benefit, whichever is greater, is added to the regular benefit.

Oil prices in Massachusetts have risen by 36%, electricity by 42% and natural gas by 39%, with additional rate increases proposed. Massachusetts operates weatherization programs, system repair and replacement programs and conservation programs funded by the utilities through the legislative act on utility restructure. These are operated through a network of programs in the community action agencies throughout the state. Individual agencies distribute blankets but it is not a statewide coordinated effort as is the weatherization program.

MICHIGAN

The number of households served in Michigan's LIHEAP program has increased by 24% through December 31. At the current rate of increase, the state is expected to serve almost 362,000 this year vs. 291,831 last year. Energy prices have increased significantly, heating oil by 70% and propane by 100%. However our three largest natural gas vendors have had no increase due to rules by the Public Service Commission. Those rules will be lifted this spring and we expect at least 40% to 60% increase in the cost of natural gas. Benefit caps have been increased twice since the start of the winter heating season.

MINNESOTA

Minnesota's LIHEAP caseload is projected to increase by 10% (107,000 vs. 96,924). Eligibility has remained at 50% of the state median income, although benefits have been increased from an average of $415 in FY 2000 to $475 this year. This resulted in an increase to the maximum assistance from $900 to $1,200. Natural gas prices have risen 304%, propane costs are up 73% and oil is 27% higher. Weatherization and furnace repair continue to be offered. The state needs additional funding to increase benefits since the increases previously provided barely make a dent in the bills experienced by Minnesota households this year.

NEW HAMPSHIRE

New Hampshire LIHEAP program is expected to serve almost 20% more households than it did last year (27,500 vs. 23,081). Applications for assistance are running 31% higher than last year and the number of requests for requests for emergency assistance have increased by 88%. Funds previously set-aside for weatherization and administration have been redirected to client benefits as a result of the critical need this winter season.

Last year the income eligibility criteria was expanded to 60% of the state median income, which has also been retained this year. Had this not occurred, approximately 3,000 families who received LIHEAP benefits last year at the higher eligibility level would have suffered. The basic benefit matrix was increased by 65% so that benefits now range from $240 to $1200. Given that the projected need far outweighs available funding, New Hampshire is in serious need of additional LIHEAP funding to ensure the program will be able to serve all eligible households seeking assistance. As of January 12, 2001, 2,967 households had already exhausted their program benefits, so additional funding is also needed increase benefit amounts. Finally, additional funding is needed to restore program components currently suspended, including weatherization.

NEW JERSEY

New Jersey expects to serve almost 25% more households this year (150,000 vs. 120,000). In addition, 55,182 elderly and/or disabled households with incomes over the LIHEAP eligibility limit, but under the income cap for the state funded supplemental Lifeline utility assistance program, received a one time benefit of either $100 (electric heat) or $215 (gas, oil or propane heat). The state has recently raised its income eligibility limit to 175% of poverty. The state is considering a number of options for the additional emergency funds received, one of which includes higher income eligibility.

NEW MEXICO

New Mexico expects to serve almost double the number of households this year (80,000 vs. 48,405). Natural gas prices have risen 20% since last year, while kerosene/propane has increased by 200%. Because of the increase in applicants, grant payments were not increased, however, the program did provide an emergency payment for oil and bulk propane in addition to the regular payment in order to purchase the same amount of fuel. Additional funds are needed to serve the increasing number of applicants and provide supplemental or second benefits to offset the tremendous price increases. Although the Native American tribes in New Mexico receive their own LIHEAP allocation, the state is also concerned about helping the tribes serve additional eligible households in their jurisdiction.

NEW YORK

The percentage of households served by New York State's LIHEAP program is expected to increase by 18% (818,000 vs. 691,500). Last February, New York expanded its LIHEAP income eligibility criteria to 60% of the state median income, which has been retained for FY 2001. The regular benefit was increased by $50 and, as of January 2001, a second emergency benefit is now allowed. The program continues to provide weatherization, furnace repair and furnace replacement. Additional funding is needed in order to provide a second regular benefit to offset the rising energy burdens felt by New York residents. 691,500 regular benefits Emergency program? 195,500 emergency benefits were issued.

NORTH DAKOTA

North Dakota expects to serve 15% more households in its regular and emergency LIHEAP programs this year. The state has increased the program eligibility criteria from 150% of poverty to 60% of the state's median income and has continued its weatherization and furnace replacement programs. Residents have seen the cost of natural gas rise by 29%, propane by 40% and heating oil by 47%. If prices remain high, the state will need a 40% increase in funds to maintain program benefit levels. So far, state spending for winter home heating benefits is running 92% higher than last year at this time.

OHIO

The percentage of households assisted by Ohio's LIHEAP program is expected to increase by about 15% in the regular program (224,700 vs. 195,380) and emergency programs (126,000 vs. 109,656) this year. The benefit levels of both program components have been increased to help offset the increases in home heating costs. Natural gas prices have increased between 35 and 50% this year, as have propane and oil. Additional funding is needed to expand the income guidelines from 150% of the federal poverty guidelines to 60% of the state median income, which would greatly increase the number of potential applicants and enable the state to assist those who are not currently served but whose energy burdens have skyrocketed.

OKLAHOMA

Oklahoma is expecting an increase of 50% in the number of households served this year (86,000 vs. 57,300) although income eligibility remains at 110% of the federal poverty guidelines. Oklahoma's LIHEAP program reports natural gas prices have almost doubled and an additional $23 million is needed just to maintain the same out-of-pocket expense to the low and fixed income clients. December 2000 had the coldest average temperature in recorded history in Oklahoma.

OREGON

The caseload in Oregon's LIHEAP program is expected to rise by 82% this year (88,547 vs. 48,547). Although there has been no increase in benefits and no changes to the eligibility criteria, an emergency payment was authorized for oil and bulk propane in addition to the regular payment so that households could purchase the same amount of fuel that the benefits would have purchased last year. The contingency funds previously targeted for weatherization have been redirected to client benefits instead. There has been a significant increase in the demand for benefits this year and additional funds are needed to accommodate this, as well as to provide additional crisis benefits to clients who heat with oil or bulk propane.

PENNSYLVANIA

The percentage of households assisted by Pennsylvania's regular LIHEAP program is expecting to increase by almost 32 percent (280,750 vs. 213,032). Applications for crisis assistance are also expected to increase by a similar percentage (101,500 vs. 76,700). Income eligibility in Pennsylvania's LIHEAP program was increased from 110% to 135% of the federal poverty guidelines and the maximum crisis award is up from $250 to $400. As a result of the contingency funds awarded to Pennsylvania this year, applications will continue to be accepted until April 30th, the maximum crisis benefit will be increased to $700 and the crisis eligibility will be expanded to 150% of the poverty level. Pennsylvania residents have seen the price of deliverable fuels rise by 50% and gas by 40%. Additional funding is needed to expand the eligibility criteria for all applicants to 150% of the federal poverty guidelines, increase benefits to offset the higher energy burdens and develop a spring/summer cooling program.

RHODE ISLAND

The percentage of households served by the Rhode Island LIHEAP program is expected to increase by 33% (26,000 vs. 19,500). Energy prices have shown significant increases. Prices for natural gas prices have increased by 30–40%, electricity by 40–50% and the home heating oil by 50%. To help offset these increases, the LIHEAP minimum benefit was increased from $200 to $325, which resulted in an increase in the average award from $390 to $550. Emergency oil delivery has also been increased from 100 gallons to 200 gallons. Eligibility criteria remains at the 60% state median income level. Although LIHEAP funds have been set aside for weatherization activities, boiler or furnace replacement, blankets and hats for elderly and shut-in clients and summer crisis programs, additional funding is needed to expand the crisis and emergency assistance programs, as well as to implement bulk fuel purchases.

SOUTH CAROLINA

A 24% overall increase in the number of households served is expected this year and benefits and LIHEAP eligibility criteria have been increased and expanded to assist clients in coping with higher energy prices. Additional funds are needed to provide furnace repair/replacement services, which are currently not available.

SOUTH DAKOTA

South Dakota expects a 30% increase in the number of households served (15,000 vs. 11,500) in its regular LIHEAP program. Income eligibility criteria has not changed (140% of poverty), but benefits have been increased by 60% for natural gas, oil and propane users to offset the higher costs of these fuels. Weatherization and furnace repair and replacement programs continue to be offered. Additional funds are needed to further increase the benefit levels, as well as expand the eligibility criteria to enable more households to participate.

VERMONT

A 10% increase is expected in the number of households served by Vermont's LIHEAP program this year (23,900 vs. 21,637). Home heating prices have risen as follows: oil 50%; propane 45%; and kerosene 45% and although some increases were made to the benefits this year, additional funds are needed to keep up with the fuel price increases, as well as to provide emergency furnace repair/replacement and weatherization services.

WASHINGTON

Washington's LIHEAP caseload is expected to increase by 50% this year (75,000 vs. 49,770). Neither benefits nor eligibility criteria have changed this year, but fuel costs have increased significantly. Natural gas prices are up by 26%, electricity by 15% and kerosene by 60%. Supplemental funding would enable higher benefits to be awarded to offset the higher energy burden experienced by Washington households this year, as well as enable additional households to be served.

WEST VIRGINIA

West Virginia expects to serve almost 55% more households this year (55,000 vs. 38,804). Heating costs have increased on average by about 12%. Benefits levels were increased by raising the minimum payment by $50 and the maximum benefit from $475 to $600. Additional funding would probably be used to assist customers with cooling costs during the summer, and to expand the LIHEAP program to include more customers.

WISCONSIN

Wisconsin expects to serve 25% more households in its regular LIHEAP program (110,100 vs. 88,105) and emergency program (25,000 vs. 20,152) this year. The average benefit has been increased and additional funds have been targeted for crisis assistance. Residents have seen the cost of natural gas rise by 101%, propane by 62% and heating oil by 30%. Additional funding is needed to further increase the benefit levels to more adequately mitigate the effects of the price spikes, as well as to expand outreach efforts and assist additional eligible households.

Mr. BINGAMAN. Mr. President, I don't know if it is the will of the managers of the bill to have a vote at this time. I am certainly ready for a vote whenever time is appropriate.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

At the moment, there is not a sufficient second.

Mr. BINGAMAN. Mr. President, I will renew that request when we have more Senators on the floor.

I yield the floor.

Mr. KENNEDY. Mr. President, this amendment includes essential short-term responses to the energy difficulties that American families face right now. It includes protections for working families who must heat their homes during the severe winters that we have in the Northeast and Midwest, and for families who must cool their homes during times of extreme heat in the South and West. Many families cannot afford sudden and dramatic increases in their heating costs, yet they must heat their homes to survive. This year 123,000 Massachusetts families needed help with their heating costs under the Low Income Home Energy Assistance Program, a 10 percent increase in need over last year. In Boston alone, community action agencies made over 1,500 emergency heating oil deliveries this winter.

The expanded relief afforded working families under this Amendment is a fitting—and I say crucial—addition to a bankruptcy bill that seeks to limit the debt relief available to consumers. I am proud to join my colleagues in proposing to improve this bankruptcy bill with energy protections for middle and low-income families.

Over the next year, Congress faces difficult choices in planning the Nation's energy future, choices that will have profound long-term consequences for every sector of the Nation's economy. Republicans insist on debating controversial proposals like oil drilling in wildlife refuges but even if they succeed in forcing the drilling to begin, any oil found there will not have any effect on the domestic energy supply for 5 or even 10 years.

While we take the time that is necessary to debate long-term energy policy, a foot of snow remains on the ground in Boston today. The cold weather brings immediate needs to families and small businesses, including many who work in the transportation industry. These needs cannot and should not continue be ignored. Unless Congress acts now, many families will suffer in the cold through the remainder of the winter, they will endure the summer's heat without respite, and they will be the first to feel the effects of any destabilization in the larger economy.

Especially as Congress acts to weaken the bankruptcy protections available to low-income consumers, it must account for their legitimate short-term energy needs. This amendment accomplishes this work in a straightforward way, by: increasing authorized funding for the Low Income Home Energy Assistance Program, the Weatherization Assistance Program, and State Energy Grants; expanding state options for providing energy assistance to any family earning under 200 percent of poverty; and requiring the federal government to lead by example in all manners of energy conservation.

The fact that we cannot solve all of the Nation's energy problems overnight does not excuse us from doing what we know works to protect families in the near term. The sponsors of this amendment are clear that a strong safety net for low-income working families, conservation, and energy efficiency are actions that can and must be taken immediately in response to the energy difficulties that we all know consumers throughout the Nation are facing today.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. Mr. President, I thank the Senator for his concern about energy policy in America. I share that. Those of us who worked for 4 years on the bankruptcy bill know that we need to remain focused on this bill.

I hope there is some way we can avoid having an energy debate delay our ability to bring to a conclusion the bill that is before us today, the bankruptcy legislation. To date, we have been pretty good about that. People are bringing their amendments down. They have been relevant amendments for the most part. Some have not been very relevant but at least arguably relevant. I think this one is particularly nongermane to the matter before us.

I want to say with regard to energy policy, it has been obvious to me for some time that this Nation has been operating within a rosy scenario. We have blithely gone along, even though we have so much more superior technology today and are so much more capable of producing energy without any environmental damage, virtually no environmental damage, and at the same time we have been declaring time and time again that we will not allow energy reserves to be produced.

One of the reasons is there is a group in this country that favors high energy prices. This is a no-growth group that is not in the mainstream. But every time there is an opportunity to bring on a new supply of energy, they object. It is their joy when prices go up because they think somehow that will cause people to burn less fuel and emit less pollutants. They are not concerned the average family in Alabama 2½ years ago maybe spending $100 a month for their gasoline bill for their automobile and now spending $150 is because we allowed ourselves to become increasingly dependent on foreign oil.

Those OPEC nations got together and politically jacked up the price by withholding supplies. They are not concerned we can't bring nuclear power on line. That has been blocked in any number of different ways leaving us now totally dependent for new electricity generation on natural gas which places electric generation in competition with homeowners. And we are seeing huge increases in natural gas prices in my State.

I see the Senator from Maryland. Is he prepared to speak on the bankruptcy bill?

Mr. SARBANES. I want to speak with respect to an amendment that was offered a short while ago and is still pending before the body.

Mr. SESSIONS. I would be delighted to yield to him, Mr. President, because he will be speaking on a pending bankruptcy amendment.

The PRESIDING OFFICER (Mr. FITZGERALD). The Senator from Maryland is recognized.

AMENDMENT NO. 25

Mr. SARBANES. Mr. President, I rise to speak in favor of the amendment offered just a short while ago by my very able colleague from New York, Senator SCHUMER, which I cosponsored. I thank Senator SCHUMER for his leadership on this amendment which seeks to ensure—there is some ambiguity—that the claims and defenses that would have existed with respect to a predatory loan will survive at sale or loan and passage through a bankruptcy proceeding.

Last year, just to illustrate the dimensions of this problem, the New York Times and ABC News broke a story about a company called First Alliance Corporation. First Alliance was a predator mortgage lender which engaged in deceptive and fraudulent practices.

Like many predatory lenders, First Alliance targeted elderly homeowners, many of whom were ill, for the hard sell. In fact, First Alliance developed a script for its lending staff called ''The Track,'' which detailed a set of tricks that could be used to distract and deceive trusting homeowners. Indeed, according to press accounts, a California appeals court found that First Alliance ''trained its employees to use various methods, including deception, to sell its services.''

This guidebook to deception is only part of the story. Loan officers did not disclose, as required by the Truth in Lending Act, the true costs of the loan. Even where the documents told the true story, the loan officers would lie to the customer about the meaning of the documents.

This is not an idle or empty accusation. This is not speculation. One customer of First Alliance taped her conversation with a loan officer to play for her husband later on because she had become so confused by the transaction. So we know these violations occur.

Over time, a number of State attorneys general started investigating First Alliance, and a growing number of victims of these practices brought suit.

Under the Truth in Lending Act and State fraud and other statutes, the victims have the right to seek redress that makes them whole and in some cases to collect damages. Under threat from many such lawsuits, First Alliance declared bankruptcy. In other words, the company that had engaged in these practices, which was now being called to account for those practices by the State attorneys general and by those people victimized—utilizing the Truth in Lending Act, and State fraud and other statutes—that company declared bankruptcy. Other subprime predatory lenders engaging in similar practices have sought the protection of bankruptcy courts as the suits have piled up. A number of these firms have sold their loan portfolios, or the servicing rights to their loans, in their bankruptcy proceedings.

What this amendment would do is it would ensure that the claims that rest against these deceptive and fraudulent loans would survive the bankruptcy process. It is arguable that that is what existing law provides, but it is not altogether clear. This seeks to make that crystal clear.

The amendment is necessary because some are now advancing the argument that going through bankruptcy is essentially equivalent to laundering the loan; in other words, what was dirty going into the bankruptcy proceeding comes out clean. But of course what that means is that innocent homeowners who sought a loan, homeowners who were tricked and lied to, homeowners who have legitimate claims to relief under existing law, might end up without a remedy and might end up losing their homes.

Indeed, one could argue that the current ambiguity encourages these lenders to go into bankruptcy. If bankruptcy results in these loans being laundered—cleaned up—then those loans, those assets, become more valuable after bankruptcy than they were before. If you can pass them through that process and, in effect, block out the victims from seeking the remedies to which existing law entitles them, then the asset is more valuable if it passes through the bankruptcy proceeding.

Obviously, anyone stopping to think about this, even for a moment, would conclude that this is wrong. If a consumer has a legitimate claim because a loan was made without complying with the law, that consumer should be able to pursue the claim regardless of whether the company that made the loan went through bankruptcy or not.

Indeed, one of the arguments that was used earlier today in the debate, in opposing the amendment that was offered by Senator DURBIN, was that remedies against predatory, fraudulent, and unfair loans already exist in the law today. That argument was used to say that the Durbin amendment was not necessary. The fact of the matter is, if we want to ensure that such protections do in fact exist and that they are not wiped out by the bankruptcy proceeding, we need to adopt this amendment.

Let me make one final point. This amendment does not create any new causes of action or create liability where none currently exists. All it does is, it simply maintains the same claim against the loan on both sides of the bankruptcy process. So it precludes using the bankruptcy process to wipe out these claims and remedies that are available to the consumer because the lender has engaged in predatory and fraudulent practices.

I am very frank to say to you I think it is a small but significant step to providing victims of predatory lending the opportunity to obtain a measure of relief with respect to the exploitation that has been practiced upon them.

I urge the adoption of the amendment which Senator SCHUMER offered just a short while ago and which is pending at the desk along with, as I understand it, a number of other amendments which will be voted upon later in our proceedings.

Mr. President, I yield the floor.

Mr. SESSIONS. Will the Senator yield?

Mr. SARBANES. Certainly.

Mr. SESSIONS. I know the Senator is a distinguished member of the Banking Committee and understands these matters far better than I. But this deals with a situation in which a lending institution violated the law in making certain loans and was subject to lawsuit; is that right?

Mr. SARBANES. That is right. First of all, let me make very clear, the number of institutions engaged in these kinds of practices is limited. They are the worst of the bunch. The responsible people in the industry do not want these people engaged in these kinds of practices.

But, unfortunately, there are people who are really engaged in essentially what is a ripoff. And there are some existing protections against some practices that are provided in the law, in the Truth in Lending Act at the Federal level and in State fraud statutes, so that the victims can bring suit and obtain a remedy with respect to the way they have been exploited by a loan.

All this amendment says if those kinds of business enterprises which have engaged in this practice declare bankruptcy, they then cannot use the bankruptcy proceeding to, in effect, erase those claims—in other words, take what is a dirty asset, or a dirty loan, into bankruptcy and bring it out on the other side as a clean loan where you then say to the consumer: It's too bad, you just can't get any recourse because this loan has gone through the bankruptcy process.

So this would maintain the consumer's rights that he had going into the bankruptcy on the other side. It does not add to those rights. Those rights are defined by existing law—Federal and State—so it would not substantively expand the recourse, but

procedurally it would maintain the existing remedies.

Mr. SESSIONS. I think I understand the goal. And I am sympathetic to that. I guess we are wrestling with the question, Would it simply come down to the fact that you are telling the borrowers who have been abused that if they are not able to make their claim, before or while the case is in bankruptcy, against that bankrupt estate, under current law it is lost, but under your law they could make their claim against whoever bought or purchased the loan?

We can talk about it later. We don't want to make assets unsalable.

Mr. SARBANES. They declare bankruptcy and then they sell these loan portfolios or the servicing rights to the loans, often in the course of the bankruptcy proceedings. If you allow that to happen, then you have an incentive for these companies to use the bankruptcy proceeding as a way of cleaning up their loans. So they go into bankruptcy, they use the bankruptcy proceeding to sell them off to somebody, but the victim has no recourse. We are saying if it goes in as a predatory fraudulent loan, the person who has been victimized ought not to lose his remedy because they can wash it through the bankruptcy proceeding.

Mr. SESSIONS. Does the amendment make any difference between a reorganization and a liquidation circumstance?

Mr. SARBANES. I don't think it does. I would have to doublecheck and let the Senator know.

Mr. SESSIONS. Is the Senator aware of how this could affect Fannie Mae or any of those type loans?

Mr. SARBANES. Any purchaser of such loans would have to be on guard because they would not be able to take them free and clear because the claims would stay with the loan.

Mr. SESSIONS. They would be less valuable as an asset to sell.

Mr. SARBANES. Potentially.

Mr. SESSIONS. I think I am beginning to comprehend it. I know there are very delicate issues involved in these matters. It may well be the Senator has an amendment that would benefit us. I will be glad to look at it.

Mr. SARBANES. I thank the Senator.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LEAHY. Mr. President, is there an amendment pending?

The PRESIDING OFFICER. The Bingaman amendment No. 28 is now pending.

AMENDMENT NO. 20

Mr. LEAHY. Mr. President, I ask unanimous consent that that be set aside and I be allowed to call up amendment No. 20 introduced earlier this morning on current monthly income.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 20.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment (No. 20) is as follows:

(Purpose: To resolve an ambiguity relating to the definition of current monthly income)

On page 18, beginning on line 9, strike ''preceding the date of determination'' and insert ''ending on the last day of the calendar month immediately preceding the date of the bankruptcy filing''.

Mr. LEAHY. Mr. President, this amendment clarifies when a debtor's current monthly income should be measured. The debtor's current monthly income is the cornerstone of the bill's means test provision which has become quite controversial. Whether one supports or opposes the means test, I think everybody should agree, for or against it, that it ought to be as clearly drafted as possible.

Assuming that passed as it is now, my amendment would avoid what I think would be unnecessary future litigation or would clarify that currently monthly income is measured from the last day of the calendar month immediately preceding the bankruptcy filing.

Allow me tell you what this means. Under the bill's current language, currently monthly income could be the 6-month period ending on the date the debtor's schedules were prepared, which could be a substantial time before the case was filed, or it could be the filing date, or it could be some later date, such as the time of a hearing on a motion to convert or dismiss the case based on the debtor's ability to pay. So it becomes a moving target.

Since accuracy of the schedules is of vital importance and subject to audit, it is important that debtors and their counsel be given clear direction as to the time on which income must be averaged. My amendment would resolve the ambiguity so as to deal with full calendar months of income data and to give a cutoff date prior to the bankruptcy filing. As amended, this definition would apply to average monthly income derived during the 6-month period ending on the last day of the calendar month immediately preceding the bankruptcy filing. Everybody would know where we are.

That is a relatively simple amendment. I think actually if one looks back on this, it would seem to be a drafting error. That is why I brought it up earlier this morning: more to improve the bill so we are not stuck with a bill that, if it does pass, we find ourselves litigating for the next year or two on issues none of us intended, whether for or against the bill.

That is what it is. I hope Senators will take a look at it.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 29 TO AMENDMENT NO. 20

Mr. CONRAD. Mr. President, I send to the desk an amendment in the second degree.

The PRESIDING OFFICER. The clerk will report.

Mr. SESSIONS. Mr. President, I object.

The PRESIDING OFFICER. The Senator has that right.

The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 29 to amendment No. 20.

Mr. SESSIONS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. CONRAD. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue the reading of the amendment.

The legislative clerk continued the reading of the amendment.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection?

Mr. SESSIONS. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue the reading of the amendment.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment (No. 29) is as follows:

(Purpose: To establish an off-budget lockbox to strengthen Social Security and Medicare)

At the end of the amendment No. 20 insert the following:

TITLE ____—SOCIAL SECURITY AND MEDICARE OFF-BUDGET LOCKBOX ACT OF 2001

SEC. ____01. SHORT TITLE.

This title may be cited as the ''Social Security and Medicare Off-Budget Lockbox Act of 2001''.

SEC. ____02. STRENGTHENING SOCIAL SECURITY POINTS OF ORDER.

(a) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by inserting at the end the following:

''(g) STRENGTHENING SOCIAL SECURITY POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend section

13301 of the Budget Enforcement Act of 1990.''.

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(c) ENFORCEMENT IN EACH FISCAL YEAR.—The Congressional Budget Act of 1974 is amended in—

(1) section 301(a)(7) (2 U.S.C. 632(a)(7)), by striking ''for the fiscal year'' through the period and inserting ''for each fiscal year covered by the resolution''; and

(2) section 311(a)(3) (2 U.S.C. 642(a)(3)), by striking beginning with ''for the first fiscal year'' through the period and insert the following: ''for any of the fiscal years covered by the concurrent resolution.''.

SEC. ___03. MEDICARE TRUST FUND OFF-BUDGET.

(a) IN GENERAL.—

(1) GENERAL EXCLUSION FROM ALL BUDGETS.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''EXCLUSION OF MEDICARE TRUST FUND FROM ALL BUDGETS

''SEC. 316. (a) EXCLUSION OF MEDICARE TRUST FUND FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Hospital Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

''(1) the budget of the United States Government as submitted by the President;

''(2) the congressional budget; or

''(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

''(b) STRENGTHENING MEDICARE POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend this section.''.

(2) SUPER MAJORITY REQUIREMENT.—

(A) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''316,'' after ''313,''.

(B) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''316,'' after ''313,''.

(b) EXCLUSION OF MEDICARE TRUST FUND FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the Federal Hospital Insurance Trust Fund in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''

(c) BUDGET TOTALS.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by inserting after paragraph (7) the following:

''(8) For purposes of Senate enforcement under this title, revenues and outlays of the Federal Hospital Insurance Trust Fund for each fiscal year covered by the budget resolution.''.

(d) BUDGET RESOLUTIONS.—Section 301(i) of the Congressional Budget Act of 1974 (2 U.S.C. 632(i)) is amended by—

(1) striking ''SOCIAL SECURITY POINT OF ORDER.—It shall'' and inserting ''SOCIAL SECURITY AND MEDICARE POINTS OF ORDER.—

''(1) SOCIAL SECURITY.—It shall''; and

(2) inserting at the end the following:

''(2) MEDICARE.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on the resolution) that would cause a decrease in surpluses or an increase in deficits of the Federal Hospital Insurance Trust Fund in any of the fiscal years covered by the concurrent resolution.''.

(e) MEDICARE FIREWALL.—Section 311(a) of the Congressional Budget Act of 1974 (2 U.S.C. 642(a)) is amended by adding after paragraph (3), the following:

''(4) ENFORCEMENT OF MEDICARE LEVELS IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a decrease in surpluses or an increase in deficits of the Federal Hospital Insurance Trust Fund in any year relative to the levels set forth in the applicable resolution.''.

(f) BASELINE TO EXCLUDE HOSPITAL INSURANCE TRUST FUND.—Section 257(b)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''shall be included in all'' and inserting ''shall not be included in any''.

(g) MEDICARE TRUST FUND EXEMPT FROM SEQUESTERS.—Section 255(g)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following:

''Medicare as funded through the Federal Hospital Insurance Trust Fund.''.

(h) BUDGETARY TREATMENT OF HOSPITAL INSURANCE TRUST FUND.—Section 710(a) of the Social Security Act (42 U.S.C. 911(a)) is amended—

(1) by striking ''and'' the second place it appears and inserting a comma; and

(2) by inserting after ''Federal Disability Insurance Trust Fund'' the following: '', Federal Hospital Insurance Trust Fund''.

SEC. ___04. PREVENTING ON-BUDGET DEFICITS.

(a) POINTS OF ORDER TO PREVENT ON-BUDGET DEFICITS.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by adding at the end the following:

''(h) POINTS OF ORDER TO PREVENT ON-BUDGET DEFICITS.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or conference report thereon or amendment thereto, that would cause or increase an on-budget deficit for any fiscal year.

''(2) SUBSEQUENT LEGISLATION.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(A) the enactment of that bill or resolution as reported;

''(B) the adoption and enactment of that amendment; or

''(C) the enactment of that bill or resolution in the form recommended in that conference report,

would cause or increase an on-budget deficit for any fiscal year.''.

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(h),'' after ''312(g),''.

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(h),'' after ''312(g),''.

Mr. SESSIONS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 26

Mr. BOND. Mr. President, I thank my colleagues for allowing me to go forward. I apologize. We have several markups going on today, and I was unable to be here to discuss the small business bankruptcy provision.

My colleague and friend, Senator KERRY of Massachusetts, offered an amendment which would delete the small business changes in chapter 11 and replace them with a study of the factors that cause small businesses to enter into bankruptcy and any changes to chapter 11 that might be appropriate.

At first blush, the amendment would not appear to be a problem. Senator KERRY and I have worked together in the Small Business Committee on many things over the years. We take a great deal of pride in the fact that assisting small business has generally received overwhelming bipartisan support in this body.

I find some problems with the amendment and with the proposal requested by the distinguished Senator from Massachusetts because the report that he seeks actually has already occurred. Approximately 4 years ago, the National Bankruptcy Review Commission conducted a wide-ranging study of how well the bankruptcy code was working. There was a small business working group on the commission that looked particularly at chapter 11 and made an assessment of how well the chapter was serving small business debtors and creditors.

The small business provisions in this bill are a result of that study, that work, and the recommendations of the working group of that commission.

Let's remember that under chapter 11, the debtor is still managing a business during the bankruptcy proceeding. The small business working group found that in too many small business cases, there are no strong creditors committees to oversee how the debtors are managing the company, and the courts are not doing an adequate job of overseeing the debtors.

As a result, the working group noted that chapter 11 debtors often lived under the protection of the bankruptcy code literally for years, often without providing any meaningful return to unsecured creditors and diminishing their assets in the process. Accordingly, the commission recommended chapter 11 be amended in two principal ways.

First, there should be standard reports filed with the courts on a regular basis so that courts can follow how a debtor is progressing in bankruptcy.

Second, there should be presumptive plan filing and plan confirmation deadlines specifically tailored to fit the needs of small business cases. If these deadlines cannot be met, the commission recommended that the bankruptcy court hold a factfinding hearing. In that hearing, the court can look at all the evidence and determine whether a small business is likely to be able to confirm a plan of reorganization within a reasonable period of time.

The intent of the provisions is not to eliminate a small business' ability to reorganize or to place restrictive requirements on it. It is merely a procedure that would permit courts to review on a regular basis the progress of a small business attempting to reorganize so that the court can step in if it appears that the small business does not have a realistic ability to reorganize.

The establishment of such a process is important for small business. First, the small business provisions establish standard disclosure statements and debtor reporting requirements that will assist small businesses entering chapter 11. These provisions have been widely supported as dramatically improving the chapter 11 process with small business debtors. Standard requirements will get rid of what is now a costly burden on small business debtors to draft from scratch a reorganizing plan and a prospectus-type disclosure statement.

In other words, what is in the bill, what would be stricken by this amendment, actually does simplify the process significantly for the small business.

One must remember that small businesses are on both sides of bankruptcies in this country; they are both creditors and debtors. Small business creditors are significantly harmed if their fellow small business debtors, who do not have a realistic opportunity to reorganize, languish in bankruptcy while their assets deteriorate. These small business creditors will receive significantly less on their claims and are substantially harmed.

One of the most important points I can make on this is, if there is no protection for small business creditors, then there is likely to be no credit for small businesses. Let us go back and think about that a minute.

If a small business that gets into trouble cannot go into bankruptcy, and if there is no means for the creditor to realize something from the assets of the debtor or get some reasonable plan of accommodation, then the creditor, the lender, is at risk of losing perhaps the entire loan to the small business. That is why I say if you do not have a reasonable bankruptcy procedure, then you are going to curtail the availability of credit.

We have seen in other countries where they do not have good bankruptcy provisions that treat fairly the debtors, the creditors, and all other interested parties, and they have a very difficult time getting credit for the businesses.

The committee has worked hard, following the commission to study bankruptcy and the work of the small business working group, to come up with provisions that are reasonable. These provisions in this bill are designed to facilitate the proceeding without imposing undue burdens. That is why I am advised that the National Federation of Independent Businesses, the National Association of Credit Managers, and the U.S. Chamber of Commerce oppose this amendment.

They recognize if you inhibit the ability of small business creditors to get relief, you will make it much less likely that creditors supply the credit for small business needs.

Lastly, I point out that Congress has approved these provisions several times. These provisions have been in the bankruptcy bill in one form or another since the 105th Congress and have been amended during that time. My colleague from Massachusetts amended the provisions last Congress significantly to increase the amount of time a small business has to file a reorganization plan under chapter 11.

I hope we can all agree we need an approach that is balanced between small business debtors and creditors. We should permit every small business that gets into credit trouble to have the ability to reorganize. That is what these provisions are intended to do. That is why I ask my colleagues to oppose this amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

Mr. SESSIONS. I object.

The PRESIDING OFFICER. The objection is heard. The clerk will continue to call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. SESSIONS. Mr. President, I ask unanimous consent that amendment No. 29 be modified to be considered a first-degree amendment and laid aside.

I further ask consent that it now be in order for Senator SESSIONS to offer an amendment relating to lockbox, and that following the reporting by the clerk, Senator CONRAD be recognized, and following his remarks, Senator DOMENICI, or his designee be recognized. I further ask consent that no amendments be in order to either amendment, and that following Monday's debate the amendments be laid aside until the hour of 2:15 p.m. on Tuesday, and there be 30 minutes for closing remarks on the issue to be equally divided in the usual form on Tuesday.

I further ask consent that the Senate proceed to a vote in relation to amendment No. 29, to be followed by a vote in relation to the second lockbox amendment, beginning at 2:45 p.m. Tuesday.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President, I say to the acting leader, the manager of the bill—I have a couple points of clarification. We are concerned about being in session Friday. I understand the leader is not available. We hope that we can work that out prior to when we close tonight because Senator CONRAD wants to be able to talk on this amendment tomorrow, in addition to Monday.

It is my understanding there will be a separate agreement later today to stack some votes Tuesday morning on the amendments that are now pending; is that right?

Mr. SESSIONS. If we can get an overall agreement, which we have been seeking, an agreed-upon list of amendments, which has not yet been forthcoming, which is critical to final disposition of this bill.

Mr. REID. I am quite confident by the end of the vote we will be able to have a finite list of amendments to give to you and the leader. The last thing: Is this going to be the last vote of the day? We have had a number of inquiries in the Cloakroom.

Mr. SESSIONS. I think it hinges on the same problem. If we don't have on overall agreement, there might be more votes.

Mr. REID. That sounds pretty weak. On behalf of Senator LEAHY, we are doing our best to move this legislation along. We appreciate the cooperation of the majority in allowing this matter to go forward on this basis. We feel with the time we have spent doing this, we could have gone forward with the amendment and be at the same place we are. Having said that, we have no objection to the unanimous consent agreement.

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

Amendment No. 29, as modified, is as follows:

AMENDMENT NO. 29, AS MODIFIED

(Purpose: To establish an off-budget lockbox to strengthen Social Security and Medicare)

At the end of the bill insert the following:

TITLE XX—SOCIAL SECURITY AND MEDICARE OFF-BUDGET LOCKBOX ACT OF 2001

SEC. ___01. SHORT TITLE.

This title may be cited as the ''Social Security and Medicare Off-Budget Lockbox Act of 2001''.

SEC. ___02. STRENGTHENING SOCIAL SECURITY POINTS OF ORDER.

(a) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is

amended by inserting at the end the following:

''(g) STRENGTHENING SOCIAL SECURITY POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend section 13301 of the Budget Enforcement Act of 1990.''.

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(c) ENFORCEMENT IN EACH FISCAL YEAR.—The Congressional Budget Act of 1974 is amended in—

(1) section 301(a)(7) (2 U.S.C. 632(a)(7)), by striking ''for the fiscal year'' through the period and inserting ''for each fiscal year covered by the resolution''; and

(2) section 311(a)(3) (2 U.S.C. 642(a)(3)), by striking beginning with ''for the first fiscal year'' through the period and insert the following: ''for any of the fiscal years covered by the concurrent resolution.''.

SEC. ___03. MEDICARE TRUST FUND OFF-BUDGET.

(a) IN GENERAL.—

(1) GENERAL EXCLUSION FROM ALL BUDGETS.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''EXCLUSION OF MEDICARE TRUST FUND FROM ALL BUDGETS

''SEC. 316. (a) EXCLUSION OF MEDICARE TRUST FUND FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Hospital Insurance Trust Fund shall not be counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

''(1) the budget of the United States Government as submitted by the President;

''(2) the congressional budget; or

''(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

''(b) STRENGTHENING MEDICARE POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend this section.''.

(2) SUPER MAJORITY REQUIREMENT.—

(A) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''316,'' after ''313,''.

(B) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''316,'' after ''313,''.

(b) EXCLUSION OF MEDICARE TRUST FUND FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the Federal Hospital Insurance Trust Fund in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''

(c) BUDGET TOTALS.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by inserting after paragraph (7) the following:

''(8) For purposes of Senate enforcement under this title, revenues and outlays of the Federal Hospital Insurance Trust Fund for each fiscal year covered by the budget resolution.''.

(d) BUDGET RESOLUTIONS.—Section 301(i) of the Congressional Budget Act of 1974 (2 U.S.C. 632(i)) is amended by—

(1) striking ''SOCIAL SECURITY POINT OF ORDER.—It shall'' and inserting ''SOCIAL SECURITY AND MEDICARE POINTS OF ORDER.—

''(1) SOCIAL SECURITY.—It shall''; and

(2) inserting at the end the following:

''(2) MEDICARE.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on the resolution) that would cause a decrease in surpluses or an increase in deficits of the Federal Hospital Insurance Trust Fund in any of the fiscal years covered by the concurrent resolution.''.

(e) MEDICARE FIREWALL.—Section 311(a) of the Congressional Budget Act of 1974 (2 U.S.C. 642(a)) is amended by adding after paragraph (3), the following:

''(4) ENFORCEMENT OF MEDICARE LEVELS IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a decrease in surpluses or an increase in deficits of the Federal Hospital Insurance Trust Fund in any year relative to the levels set forth in the applicable resolution.''.

(f) BASELINE TO EXCLUDE HOSPITAL INSURANCE TRUST FUND.—Section 257(b)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''shall be included in all'' and inserting ''shall not be included in any''.

(g) MEDICARE TRUST FUND EXEMPT FROM SEQUESTERS.—Section 255(g)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following:

''Medicare as funded through the Federal Hospital Insurance Trust Fund.''.

(h) BUDGETARY TREATMENT OF HOSPITAL INSURANCE TRUST FUND.—Section 710(a) of the Social Security Act (42 U.S.C. 911(a)) is amended—

(1) by striking ''and'' the second place it appears and inserting a comma; and

(2) by inserting after ''Federal Disability Insurance Trust Fund'' the following: '', Federal Hospital Insurance Trust Fund''.

SEC. ___04. PREVENTING ON-BUDGET DEFICITS.

(a) POINTS OF ORDER TO PREVENT ON-BUDGET DEFICITS.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by adding at the end the following:

''(h) POINTS OF ORDER TO PREVENT ON-BUDGET DEFICITS.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or conference report thereon or amendment thereto, that would cause or increase an on-budget deficit for any fiscal year.

''(2) SUBSEQUENT LEGISLATION.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(A) the enactment of that bill or resolution as reported;

''(B) the adoption and enactment of that amendment; or

''(C) the enactment of that bill or resolution in the form recommended in that conference report,

would cause or increase an on-budget deficit for any fiscal year.''.

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(h),'' after ''312(g),''.

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(h),'' after ''312(g),''.

Mr. SESSIONS. Mr. President, I ask unanimous consent that a vote occur in relation to the Kerry amendment No. 26 relative to small business at 3:30 p.m. today and that no second-degree amendments or further debate be in order prior to the vote.

Finally, I ask consent that there be 10 minutes equally divided in the usual form prior to the vote in relation to the Kerry amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

AMENDMENT NO. 32

Mr. SESSIONS. Mr. President, I send to the desk an amendment to establish a procedure to safeguard the surpluses of the Social Security and Medicare hospital insurance trust fund.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS] proposes an amendment numbered 32.

Mr. REID. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To establish a procedure to safeguard the surpluses of the Social Security and Medicare hospital insurance trust funds)

At the end of the bill insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Social Security and Medicare Lock-Box Act of 2001.''

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Balanced Budget Act of 1997 and strong economic growth have ended decades of deficit spending;

(2) the Government is able to meet its current obligations without using the social security and medicare surpluses;

(3) fiscal pressures will mount as an aging population increases the Government's obligations to provide retirement income and health services;

(4) social security and medicare hospital insurance surpluses should be used to reduce the debt held by the public until legislation is enacted that reforms social security and medicare;

(5) preserving the social security and medicare hospital insurance surpluses would restore confidence in the long-term financial integrity of social security and medicare; and

(6) strengthening the Government's fiscal position through debt reduction would increase national savings, promote economic growth, and reduce its interest payments.

(b) PURPOSE.—It is the purpose of this Act to—

(1) prevent the surpluses of the social security and medicare hospital insurance trust

funds from being used for any purpose other than providing retirement and health security; and

(2) use such surpluses to pay down the national debt until such time as medicare and social security legislation is enacted.

SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES

''SEC. 316. (a) LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or an amendment thereto or conference report thereon, that would set forth a surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

''(B) EXCEPTION.—(i) Subparagraph (A) shall not apply to the extent that a violation of such subparagraph would result from an assumption in the resolution, amendment, or conference report, as applicable, of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year.

''(ii) If a concurrent resolution on the budget, or an amendment thereto or conference report thereon, would be in violation of subparagraph (A) because of an assumption of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year, then that resolution shall include a statement identifying any such increase in outlays or decrease in revenue.

''(2) SPENDING AND TAX LEGISLATION.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(i) the enactment of that bill or resolution, as reported;

''(ii) the adoption and enactment of that amendment; or

''(iii) the enactment of that bill or resolution in the form recommended in that conference report.

would cause the surplus for any fiscal year covered by the most recently agreed to concurrent resolution on the budget to be less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to social security reform legislation or medicare reform legislation.

''(b) ENFORCEMENT.—

''(1) BUDGETARY LEVELS WITH RESPECT TO CONCURRENT RESOLUTIONS ON THE BUDGET.—For purposes of enforcing any point of order under subsection (a)(1), the surplus for any fiscal year shall be—

''(A) the levels set forth in the later of the concurrent resolution on the budget, as reported, or in the conference report on the concurrent resolution on the budget; and

''(B) adjusted to the maximum extent allowable under all procedures that allow budgetary aggregates to be adjusted for legislation that would cause a decrease in the surplus for any fiscal year covered by the concurrent resolution on the budget (other than procedures described in paragraph (2)(A)(ii)).

''(2) CURRENT LEVELS WITH RESPECT TO SPENDING AND TAX LEGISLATION.—

''(A) IN GENERAL.—For purposes of enforcing subsection (a)(2), the current levels of the surplus for any fiscal year shall be—

''(i) calculated using the following assumptions—

''(I) direct spending and revenue levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

'(II) for the budget year, discretionary spending levels at current law levels and, for outyears, discretionary spending levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

''(ii) adjusted for changes in the surplus levels set forth in the most recently agreed to concurrent resolution on the budget pursuant to procedures in such resolution that authorize adjustments in budgetary aggregates for updated economic and technical assumptions in the mid-session report of the Director of the Congressional Budget Office. Such revisions shall be included in the first current level report on the congressional budget submitted for publication in the Congressional Record after the release of such mid-session report.

''(B) BUDGETARY TREATMENT.—Outlays (or receipts) for any fiscal year resulting from social security or medicare reform legislation in excess of the amount of outlays (or less than the amount of receipts) for that fiscal year set forth in the most recently agreed to concurrent resolution on the budget or the section 302(a) allocation for such legislation, as applicable, shall not be taken into account for purposes of enforcing any point of order under subsection (a)(2).

''(3) DISCLOSURE OF HI SURPLUS.—For purposes of enforcing any point of order under subsection (a), the surplus of the Federal Hospital Insurance Trust Fund for a fiscal year shall be the levels set forth in the later of the report accompanying the concurrent resolution on the budget (or, in the absence of such a report, placed in the Congressional Record prior to the consideration of such resolution) or in the joint explanatory statement of managers accompanying such resolution.

''(c) ADDITIONAL CONTENT OF REPORTS ACCOMPANYING BUDGET RESOLUTIONS AND OF JOINT EXPLANATORY STATEMENTS.—The report accompanying any concurrent resolution on the budget and the joint explanatory statement accompanying the conference report on each such resolution shall include the levels of the surplus in the budget for each fiscal year set forth in such resolution and of the surplus or deficit in the Federal Hospital Insurance Trust Fund, calculated using the assumptions set forth in subsection (b)(2)(A).

''(d) DEFINITIONS.—As used in this section:

''(1) The term 'medicare reform legislation' means a bill or a joint resolution to save Medicare that includes a provision stating the following: 'For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes medicare reform legislation.

''(2) The term 'social reform legislation' means a bill or a joint resolution to save social security that includes a provision stating the following: 'For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes social security reform legislation.'.

''(e) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

''(f) EFFECTIVE DATE.—This section shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation.''

(b) CONFORMING AMENDMENT.—The item relating to section 316 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

''Sec. 316. Lock-box for social security and hospital insurance surpluses.''.

SEC. 4. PRESIDENT'S BUDGET.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—If the budget of the United States Government submitted by the President under section 1105(a) of title 31, United States Code, recommends an on-budget surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year, then it shall include a detailed proposal for social security reform legislation or medicare reform legislation.

(b) EFFECTIVE DATE.—Subsection (a) shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation as defined by section 316(d) of the Congressional Budget Act of 1974.

AMENDMENT NO. 29, AS MODIFIED

The PRESIDING OFFICER. Under the order, the Senator from North Dakota is recognized next.

Mr. CONRAD. Mr. President, the amendment I have sent to the desk is an amendment to provide protection to both the Social Security trust fund surplus and the Medicare Hospital Insurance Trust Fund surplus. Mr. President, this is legislation I offered last year that passed the Senate on a bipartisan basis with 60 votes.

I hope that again this year we can send a very strong signal in this body that we fully intend to protect the Social Security and Medicare trust funds; that we intend to establish a lockbox to wall off those trust funds from being used for any other purpose; that we would assure the American people that the Social Security trust fund and the Medicare Trust Fund will not be raided, will not be used for other spending, will not be used for any other purpose, will not be used for a tax cut; that we will assure those who are the beneficiaries of Social Security and Medicare—those who make payments to those programs—that the money they have paid in will be used for the purposes intended.

This amendment, very simply, takes the Medicare Hospital Insurance trust fund completely off budget the same way we have protected the Social Security fund. It would add points of order to ensure that neither Social Security nor Medicare surpluses could be used for any other purpose.

As you know, Social Security is already off budget. This amendment

would treat the Medicare Trust Fund the same way as we already treat the Social Security trust funds. It would also create points of order against any legislation that would reduce the Medicare Hospital Insurance trust fund surpluses. Similar points of order already apply to Social Security.

In addition, the amendment strengthens existing rules that protect Social Security. For example, we establish a point of order protecting Social Security's off-budget status. Our amendment also includes a point of order protecting Social Security surpluses in every year covered by a budget resolution, which is a strengthening over current law. Again, this is largely, almost entirely, the amendment that passed the Senate Chamber last year with 60 votes, and it was a strong bipartisan vote.

Many of us believe we should not raid the Social Security and Medicare trust funds, period. Ninety-eight Senators voted last year in favor of this principle; 60 voted for my proposal; I believe over 50 voted for Senator Ashcroft's proposal. But when you looked at the vote, 98 Senators voted for one or the other. I ask my colleagues to again endorse that principle.

Again, if we look at the specifics, it protects Social Security surpluses in each and every year. It takes the Medicare Hospital Insurance trust fund off budget. It gives Medicare the same protections as Social Security, and it contains strong enforcement. That is precisely what we offered last year. That is precisely what passed last year. I hope we don't take a step backward this year and water down these protections.

Now, some have said if we save both the Social Security and Medicare trust fund surpluses that we will get into excess cash buildup between now and the end of this 10-year budget forecast period. Let me just indicate, as this chart shows, we can save all of the Social Security surplus, and all of the Medicare Hospital Insurance surplus, and not have any cash buildup problem until out in the year 2010. So we don't have a problem for 9 years of any cash buildup, no problem at all until the year 2010. So we have plenty of time to respond to that, if, indeed, it ever develops.

As we all know, this is based on a 10-year forecast. It is a forecast that may come true, and may not come true.

We are all working off a CBO projection that is a 10-year projection, which the forecasting agency itself tells us only has a 10-percent chance of coming through—10 percent. When we use this figure, $5.6 trillion surplus over the next 10 years, the forecasting agency has told us that only has a 10-percent chance of coming true. There is a 45-percent chance it will be more; there is a 45-percent chance it will be less. The only prudent thing to do in those circumstances is to bet that it may well be less because if, in fact, we overestimate, that has very serious implications of putting us back into deficit.

Speaker HASTERT said this about the House lockbox bill:

> We are going to wall off Social Security trust funds and Medicare trust funds and consequently, we pay down the public debt when we do that. . . . So we are going to continue to do that. That's in the parameters of our budget, and we are not going to dip into that at all.

Unfortunately, the version that passed the House has an enormous trapdoor in it. They say they are walling off Social Security, they say they are walling off Medicare, but then when you read the fine print, you find out they do not really intend to do that at all. They are fully prepared to dip into those trust funds for other purposes. Our amendment prevents that.

If we do not protect the Medicare surplus, we will reduce the solvency of the Medicare Hospital Insurance Trust Fund, reversing years of steady progress in shoring up this program.

Let's have a brief history lesson and remind ourselves that in 1992 the Medicare trust fund was projected to become insolvent in the year 2002. That is just 9 years ago. The actuaries studied the program and said we are headed for insolvency in the Medicare program in the year 2002, but by last year, that date was estimated to be 2025, an improvement of 23 years. That is because of actions that were taken in the Congress of the United States to extend the solvency of the Medicare program.

Those efforts have worked, but if we now start to spend from the trust fund, and if we take the $500 billion Medicare Part A trust fund surplus projected for the next 10 years and use it for other purposes, we will make Medicare insolvent by the year 2009, 16 years earlier than is now projected.

Some have argued that since beneficiary premiums only cover 25 percent of Medicare Part B costs, there is a deficit in that part of Medicare. Part B is funded by premiums and by the general fund.

The question before this body is, Do we protect the Hospital Insurance Trust Fund that exists for Medicare in the same way that we protect the trust fund that exists for Social Security?

Last year, overwhelmingly our colleagues said yes: we should provide the same protection to the Medicare trust fund that we provide the Social Security trust fund. I hope we will provide that same protection again this year.

Some say because Part B only has 25 percent of its costs covered by a premium, therefore it is in deficit. That is not what the law says or what the actuaries report, but that is the rhetoric being used by some who want to justify a raid on the Hospital Insurance Trust Fund for Medicare.

They are saying, yes, there is a trust fund for Part A of Medicare and, yes, it is in surplus by $500 billion, but they say Part B only gets 25 percent of its costs covered by premiums; therefore, it is in deficit; therefore, there is no surplus anywhere in Medicare. That is simply false. We know that there is a Hospital Insurance Trust Fund designated in law, and it has $500 billion, according to the Administration.

For those who say because Medicare overall is challenged fiscally, therefore there is no reason to protect the Hospital Insurance Trust Fund, let's just take that money and jackpot it and make it available for other expenditure, make it available for defense, make it available for agriculture, make it available for education, make it available for whatever other worthy purpose somebody might conjure up, make it available for a tax cut. The problem with that is, if you take the trust fund surplus that is in existence today in Medicare and you raid it and you use it for other purposes, you shorten the period of solvency of Medicare and you bankrupt the program. It is that simple. It is robbing Peter to pay Paul. It is digging the ditch deeper before starting to fill it in.

We should not tolerate raiding either the Social Security trust fund or the Medicare trust fund. In the private sector, if anybody tried to raid the retirement funds of a company, if anybody tried to raid the health plans of a company, they would be in violation of Federal law. They would be on their way to a Federal institution. It would not be the Congress of the United States, and it would not be the White House. They would be incarcerated because they would have violated Federal law.

This is a critically important decision that we will make. This is a fundamental decision. Do we protect the Social Security trust fund? Do we protect the Medicare Hospital Insurance Trust Fund or don't we? Do we open the door to a raid on both those funds? I very much hope that the answer in this Chamber, as it was last year, is a resounding no; that we make very clear to any who would raid these trust funds that they are off limits, that they will not be touched, that we are not going to accept using these funds for other purposes. That is what the American people want us to do. That is what we will have an opportunity to do when we vote on this amendment, and we should not take other plans that use the same words but have a trapdoor to them that opens the door to a raid on these trust funds. That would be, I believe, a serious mistake.

One other thing I want to point out about the President's budget that is carefully hidden in the numbers: Although the President claims there is enough in his so-called contingency fund to protect Medicare, in fact that is not the case. In the year 2005, the contingency fund totals $36 billion, but

the Medicare trust fund surplus is $47 billion. That means if you protect Medicare under the President's budget, you will be raiding the Social Security trust fund to the tune of $11 billion in that year or you will be in deficit by $11 billion.

I think that is another demonstration that the tax cut offered by the President is so large that it threatens to put us back into deficit, because that is exactly what it does in the year 2005 if you protect Social Security and Medicare. Under the President's budget, we will be back in deficit in the year 2005 if, in fact, we protect the trust funds of Social Security and Medicare.

I believe Senator KERRY is to be recognized for final debate on his amendment. I look forward to talking more about this amendment tomorrow, on Monday and again on Tuesday.

I conclude by saying once more that last year we had a strong bipartisan vote. We had nearly 20 Republican Senators join a group of Senators on this side. We had over 60 votes to protect Social Security and Medicare trust funds. I hope we have a vote that is even stronger this year.

I yield the floor.

AMENDMENT NO. 26

The PRESIDING OFFICER. Under the previous order, the pending amendment is laid aside and there are now 10 minutes equally divided on the Kerry amendment No. 26.

Mr. KERRY. Mr. President, let me address quickly the elements of my amendment which seek to strike the small business provision within this bankruptcy bill. I emphasize to my colleagues, we don't strike it and not do anything; we strike it and ask for a study by the Small Business Administration for the most efficient and effective way of dealing with small business bankruptcies. The reason for that is as follows:

My colleague, Senator GRASSLEY, a little while ago—and I respect enormously the efforts he is making on this bill, and I respect the efforts generally in the Senate to try to reform the bankruptcy code—but Senator GRASSLEY talked about how the Bankruptcy Review Commission voted out the small business provisions. He talked about an 8–1 vote. Let me emphasize to all my colleagues, the vote of the Bankruptcy Review Commission was 8–1 on the entire report. But indeed on the particular provision with respect to small business, the commission was very divided. It was an extraordinarily close vote, 5–4. That 5–4 vote reflected the tension that existed over this question of how to treat small business. There was not a generalized acceptance of their approach.

Second, we in the Senate are just beginning to focus on what the potential impact to small business might be as a consequence of this bill. I emphasize to my colleagues there are two reviews of this bankruptcy effort. One is the commission. But the National Bankruptcy Conference, which is a conference made up of experts, also has weighed in on this bill. The National Bankruptcy Conference has endorsed my approach to this issue of striking the small business sections. In other words, the National Bankruptcy Conference and many of the small business entities of the country believe that what the Senate is about to do is undo some of the things we attempted in the last few years with the small business regulatory reform and all of the efforts we have undertaken to lift from small business in this country undue amounts of paper burden, regulatory burden, government-mandated intrusion.

What we will be doing in this bankruptcy bill is putting back on to small businesses the very kind of burden we have tried to lift. I emphasize the National Bankruptcy Conference endorses my approach, which is to strike this section and ask for a Small Business Administration analysis of what will happen. I remind my colleagues, the number of chapter 11 filings with respect to small business has dramatically decreased over the last decade from 24,000 in 1991 to below 10,000 last year.

The fact is there is no showing whatever on the record that small businesses represent the kind of problem that invites the kind of onerous, intrusive documentation and recordation that is in this legislation.

If small business fails to comply with the new reporting requirements that are in this legislation, then creditors are given entirely new powers, and those powers could force bankruptcy court judges to liquidate small businesses or to completely dismiss their proceedings. This could force many small businesses to expend a huge amount of resources to fend off challenges by any creditor simply for not complying with one of the new burdensome reporting requirements that are put into this legislation.

These requirements place a burden on small mom-and-pop operations that are the lifeblood of the growth of this country. Sixty to eighty percent of the jobs in this country are created by small business, maintained by small business, and almost all the growth in the country. There is no showing that small businesses present the kind of problem with respect to the bankruptcy process that merits this kind of approach.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time in opposition?

Mr. HATCH. Mr. President, the effect of the amendment is to strike section 431 to 445, all of subtitle B of title IV of the bill, the provisions which reform bankruptcies for companies that are ''small businesses''. A ''small business'' is a company that, together with its affiliates, has debts under $3,000,000 and is not primarily a real estate owning and operating company, but only if an unsecured creditor's committee has not been appointed. Also propose a Small Business Administration study of bankruptcy and small businesses.

Our present law: Although the Bankruptcy Code now contains provisions on small business bankruptcies, they are optional and rarely used. Present chapter 11 is complicated and expensive for debtors. It is a lawyer's paradise because their services are very necessary. Chapter 11s also tend to be long drawn out affairs, seemingly managed by the professionals to extract the largest possible fees. Small business creditors often complain about the delays and expense of trying to collect debts owed them.

On bill provisions, the bill provides the following reforms:

It creates streamlined, standardized forms so small business bankruptcies can be more cheaply managed by small business debtors. Under present law, a chapter 11 reorganization is made expensive by the need to tailor a plan and disclosure statement, a job done by a highly paid lawyer.

The bill creates nationwide uniform reporting requirements so that chapter 11 cases involving a small business can be standardized, simplifying the procedures debtors must comply with.

The bill standardizes the information a small business must provide to the trustee, like tax returns, schedules, financials and the like.

Debtors must meet plan filing and confirmation time deadline standards, specially developed for small business cases.

The duties of the United States trustee with respect to a small business case are spelled out.

The bill also contains controls on abusive use of chapter 11, like multiple filing of cases and unreasonable delay in resolving the case.

It contains a study of small business bankruptcy by the Small Business Administration.

Requires in single asset real estate company cases that interest be paid to creditors at a certain point in the case.

Provides administrative expense priority to any amount the debtor owes arising from certain real estate lease defaults.

In response, Congress created in 1994 a National Bankruptcy Review Commission to study the bankruptcy laws and suggest reforms, which closely studied small business bankruptcy and recommended reforms. The provisions the Kerry amendment would cut out are the result of those recommendations.

The NBRC found that small business bankruptcies needed reforms in order

to benefit both small business debtors and to benefit small businesses when they were creditors. The bill provides the protections and benefits the NBRC recommended.

The amendments streamline bankruptcy for small businesses. It allows them to save lawyer fees. It allows them to promptly reorganize, to their benefit and that of their creditors.

Additional study is unnecessary. This matter has already been studied for 4 years by a blue ribbon panel of bankruptcy experts, who unanimously recommended the reforms. But even if more study is necessary, the bill provides for the same study Senator KERRY is now proposing.

Oppose the Kerry amendment. Senator KERRY last year sponsored an amendment that seriously impaired the reforms in this part of the bill. He now seeks to gut them completely. It is clear that he opposes all reform. Yet reform is needed.

Mr. GRASSLEY. I wish to respond to Senator KERRY's comments about my representation of the Bankruptcy Review Commission.

The commissioners themselves said the vote was 8 to 1 on the small business provisions. So it is not accurate that there are major tensions with respect to these provisions.

I have a letter that I will put in the RECORD that shows a former commissioner of the Bankruptcy Commission saying the vote was 8 to 1 on the small business provisions.

I ask unanimous consent the letter be printed in the RECORD.

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

BANKRUPTCY TAX CONSULTANT

To: Senator CHARLES E. GRASSLEY
From: JAMES I. SHEPARD

SENATOR GRASSLEY: The National Bankruptcy Review Commission adopted the Small Business Provisions in its report with solid support, the vote was 8 to 1 in favor. There was little dissension, the vote was NOT 5 to 4 as has been stated, the Commission was not bitterly divided but, in fact, was strongly in favor of the provisions.

Thank You,

JAMES I. SHEPARD.

Mr. HATCH. Mr. President, is all time yielded back?

The PRESIDING OFFICER. All time has expired.

Mr. HATCH. I yield back whatever time I have.

I move to table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion to table.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Idaho (Mr. CRAPO), the Senator from Oklahoma (Mr. INHOFE), and the Senator from Virginia (Mr. WARNER) are necessarily absent.

The result was announced—yeas 55, nays 41, as follows:

[Rollcall Vote No. 19 Leg.]

YEAS—55

Allard	Domenici	Murkowski
Allen	Ensign	Nelson (NE)
Bayh	Enzi	Nickles
Bennett	Frist	Reid
Biden	Gramm	Roberts
Bingaman	Grassley	Santorum
Bond	Gregg	Sessions
Breaux	Hagel	Shelby
Brownback	Hatch	Smith (NH)
Bunning	Helms	Smith (OR)
Burns	Hutchinson	Snowe
Campbell	Hutchison	Specter
Carper	Jeffords	Stevens
Chafee	Kyl	Thomas
Cleland	Lott	Thompson
Cochran	Lugar	Thurmond
Collins	McCain	Voinovich
Craig	McConnell	
DeWine	Miller	

NAYS —- 41

Akaka	Edwards	Lieberman
Baucus	Feingold	Lincoln
Boxer	Feinstein	Mikulski
Byrd	Graham	Murray
Cantwell	Harkin	Nelson (FL)
Carnahan	Hollings	Reed
Clinton	Inouye	Rockefeller
Conrad	Johnson	Sarbanes
Corzine	Kennedy	Schumer
Daschle	Kerry	Stabenow
Dayton	Kohl	Torricelli
Dodd	Landrieu	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	

ANSWERED ''PRESENT''—1

Fitzgerald

NOT VOTING—3

Crapo	Inhofe	Warner

The motion was agreed to:

Mr. LOTT. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I believe the Senator from Massachusetts wishes to speak for a few moments about an unrelated issue, perhaps. Before he does that, I want to notify all Senators that we are trying to work to get an agreement on how to proceed for the balance of today, Friday, and next week.

I had hoped we could get a list of amendments that would be offered, a realistic list, and in return we would agree that there would be no further votes this afternoon, or tomorrow, even though we will continue trying to work and also have work completed on Monday.

I say to both sides of the aisle that I am getting disturbed that the leadership continues to bend over backward to try to accommodate everybody's schedule. We are not getting a lot of response in kind. Senators don't particularly want to vote on Tuesday afternoons. Senators don't wish to be here on Friday or on Monday. Senators come up with—we have probably close to a hundred amendments on the bankruptcy bill on the two sides. We must finish this bill next week, by Thursday night. I don't want to file cloture, but when I look at the list with which we have just been presented, and considering the fact there is no desire to work on Friday, it is not practical that we can finish this up by next Thursday, unless we find some way to cut down the amendments considerably, move faster, or file cloture.

After that, we have to go to campaign finance reform, on Monday, the 19th. We are going to have to do the budget resolution in a relatively short period of time, in the next month or so. We have to do the education bill. Good work is being done in that committee. Basically, bankruptcy is going to have to be done next week. I don't want to cut anybody off.

We have bent over backward in many ways to get this bill done. We are going to try to get an agreement as to how this bill will be completed by next Thursday night. Senator DASCHLE may want to comment.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, I add my voice to the majority leader's admonition to all of those who have amendments. He and I have worked on this from the very beginning of the year and have used the regular order to accommodate all Senators, first in committee, and now on the floor.

I don't have any qualms about the interests on the part of so many Senators to express themselves. That is what the legislative process is all about. But let me say this will not be the only bill we take up this year. There will be other legislation. It is fair to say that if cloture is filed—and I hope that will be unnecessary—it will probably be invoked.

Senator LOTT came to me a few minutes ago to express an interest in filing—even today. I urged him to hold off filing today in order to accommodate Senators who may have amendments that are not relevant. In order for that to happen, we have to see, give and take on both sides. We are going to have to have a unanimous consent agreement that if he holds off on filing cloture, we can have that vote, perhaps Wednesday, so we can finish on Friday. Like he has noted, we have campaign finance reform that is already part of a unanimous consent agreement scheduled for the week after. So there is no question that we are going to have to finish this bill next week. There are over a hundred amendments. I think it is going to require some real cooperation on the part of all Senators, if we are going to address this matter in a meaningful way, orderly way, and in a way that is fair.

Anybody can object to the unanimous consent request we are going to make. If I were the majority leader, I

guess if that were the case, I would probably file cloture and move on. I hope that won't be necessary. I hope we can accommodate those Senators who have amendments that are not necessarily germane, but I hope we can finish the bill.

I hope those who have a litany of amendments—some Senators have expressed an interest in offering 8 to 10 amendments. I am not very sympathetic to that. There are a lot of other issues out there that can be addressed on other bills down the road. So let's show a little cooperation, a little effort to be accommodating. Let's recognize that we have a lot of work to do. The only way we will get it done is if everybody plays fairly and does what they can to accommodate the needs of scheduling.

I yield the floor.

Mr. REID. Will the majority leader yield?

Mr. LOTT. Mr. President, I am glad to yield.

Mr. REID. I say to the two leaders, I have spoken to Senator CONRAD and he has a very important amendment pending. He said he would be willing to speak tomorrow for a reasonable period of time, and Monday there would be ample opportunity to offer lots of amendments.

Mr. LOTT. Mr. President, let me say that I appreciate that. I understand Senator BINGAMAN has an amendment that he can offer now, and we could continue to make progress. His amendment has been cleared. So we will continue to work. It may be necessary to be in session tomorrow. We are working on another issue to get completed tonight or first thing in the morning—in spite of the fact that I had hoped we could get a limited list of amendments—a reasonable one—in return for not having further votes tonight or tomorrow, but we didn't get that. We did not get that, but I did want to say there will be no further votes today. Members are encouraged to continue to offer amendments. We will work tonight, perhaps tomorrow. There will be votes on next Tuesday morning as previously ordered and on Tuesday at 2:45 p.m.

Again, it is previously ordered. I want Senators to understand we will have a vote Tuesday morning. So Senators need to be here on Monday in order to be here for the recorded vote Tuesday morning.

In that connection, again I urge Senators to continue to work tonight, come to the floor and work with the managers to offer amendments tomorrow and/or Monday.

I believe we are ready to propound a unanimous consent request.

After consultation with Senator DASCHLE, I ask unanimous consent that any votes ordered for today be postponed and stacked to occur beginning at 11 a.m. on Tuesday, March 13, with the concurrence of both managers.

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

Mr. LOTT. Mr. President, I ask unanimous consent that there be 5 minutes equally divided for explanation of each amendment beginning at 10 a.m. on Tuesday, to be debated in the order they were offered. In other words, even if debate occurs later today or Monday—just so Senators understand—before the vote there will be 5 minutes equally divided on each amendment.

I further ask unanimous consent that when the votes occur at 11 a.m. on Tuesday, the first vote be limited to 15 minutes in length, with all succeeding votes 10 minutes in length.

I further ask unanimous consent that all first-degree amendments in order to the pending S. 420 be limited to the following list which I now send to the desk, and any second-degree amendments must be relevant to the first-degree amendments.

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

The list of amendments is as follows:

AMENDMENT LIST TO S. 420

REPUBLICAN AMENDMENTS

B. Smith:
1. Relevant.
1. Relevant to List.
Gramm:
4. Relevant to List.
1. Credit Card.
Specter:
1. Pardon Guidelines.
K. Hutchison:
1. 2nd Degree on Homesteads.
Collins:
1. Fishermen.
Nickles:
2. Relevants.
Hatch:
1. Relevant.
Lott:
14. Relevant to List.
Sessions:
1. Landlord Tenant.
1. Appeals.

DEMOCRATIC AMENDMENTS

Baucus:
1. Involuntary Bankruptcy.
Bingaman:
1. Energy Assistance/Conservation.
2. Relevant.
Bond:
1. Relevant.
Boxer:
1. Relevant.
2. Relevant.
3. Relevant.
4. Relevant.
5. Non-Relevant.
6. Non-Relevant.
Breaux:
1. Ergonomics.
Byrd:
1. Relevant.
2. Relevant.
Carnahan:
1. Means Testing re: Home Energy Costs.
Conrad:
1. Non-Relevant.
Daschle:
1. Relevant.
2. Relevant.
Dayton:
1. Trade Adjustment Assistance.
2. Relevant.
Dodd:
1. Credit Card.
Dorgan:
1. Relevant.
2. Relevant.
Durbin:
1. Cramdown.
2. Predatory Lending.
3. Credit Card Disclosure.
4. Non-Relevant.
5. Relevant.
Hollings:
Lock Box.
Feingold:
1. Section 1310.
2. Definition of Household Goods.
3. FEC Fines & Penalties.
4. Insolvent & Political Committees.
5. Relevant.
6. Relevant.
7. Landlord Tenants.
Feinstein:
1. Guns.
2. Cap to Credit Cards to Minors.
3. Parental Notification of Limit Increase.
4. Technical Amdt on Landlord/Tenants.
5. Bankruptcy Petition Preparers.
6. Delete Sect. 226–229.
7. Second Degree to a Wyden Amdt.
8. Relevant.
9. Non-Relevant.
Kennedy:
1. Health Care.
2. Means Test.
3. Pensions.
4. Non-Relevant.
5. Non-Relevant.
Kerry:
1. Small Business.
Kohl-Feinstein:
1. Homestead Caps.
Kohl:
2. Back Pay.
Leahy:
1. Identity Theft & Financial Privacy.
2. Chapter 13 Length.
3. Chapter 13 IRS Standards.
4. Tax Returns.
5. Current Monthly Income.
6. Separated Spouses.
7. Relevant.
8. Relevant.
9. Non-Relevant.
10. Appeals.
11. Relevant.
Levin:
1. Red Lining.
2. Relevant.
3. Credit Card Grace Period.
4. Means Test re: Gas Prices.
5. Cramdown.
Reed:
1. Reaffirms GAO Study.
Reid:
1. Relevant.
2. Relevant.
3. Non-Relevant.
Schumer:
1. Predatory Lending.
2. Finance Charges.
3. Corporate Reorganization.
4. Creditor Abuses.
5. Safe Harbors.
6. Means Test.
7. Relevant.
8. Relevant.
9. Non-Relevant.
Wellstone:
1. Payday Loan.
2. Low Income Safe Harbor.
3. Relevant.

4. Trade Related Job Loss Safe Harbor.
5. Benefit Program Administration.
6. Means Test Fix.
7. Trade Adjustment Assistance.
8. Relevant.
9. Relevant.
10. Non-Relevant.

Wyden:
1. Protecting Electricity Rate Payers.

Mr. BINGAMAN. Mr. President, by way of explanation, am I correct in assuming that this does not preclude us from offering an amendment that can be adopted by voice vote?

Mr. LOTT. Mr. President, it would have to be on the list.

Mr. BINGAMAN. It is the one I called up earlier.

Mr. LOTT. I believe the Senator from New Mexico has two listed. I believe his amendment is one of these two that are listed.

Mr. BINGAMAN. We can vote that this afternoon.

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

Mr. LOTT. In light of the agreement, Mr. President, there will be no further votes tonight. The Senate will be considering the bill over the next couple of days, hopefully tomorrow as well as Monday, so that amendments can be offered and debated. The next votes will occur beginning at 11 a.m. on Tuesday.

In addition, the lockbox votes are scheduled to occur at 2:45 p.m. on Tuesday. I urge Senators who have amendments to schedule floor time with the managers. Again, I hope there is no desire to try to drag this out through the week and not complete it. I do not think that would be fair to anybody. We have other work to do. Senator DASCHLE has assured me, as he just said, that he understands and wants to join in getting this done by next Thursday night or Friday morning.

As we assess the situation, if it becomes necessary, I will be prepared to file cloture on Monday or Tuesday so we can finish this not later than Thursday night or Friday.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, there is an amendment that I sent to the desk and explained earlier on energy assistance. I ask unanimous consent that my colleague, Senator DOMENICI, be added as a cosponsor of that amendment.

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

Mr. BINGAMAN. Mr. President, I also ask unanimous consent that after the vote on this amendment, which I expect in the next 3 or 4 minutes after I speak and Senator MURKOWSKI speaks, Senator KERRY from Massachusetts be allowed to speak as in morning business.

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

AMENDMENT NO. 28, AS MODIFIED

Mr. BINGAMAN. Mr. President, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

The amendment, as modified, reads as follows:

(Purpose: To increase the authorization of appropriations for low-income energy assistance, weatherization, and State energy emergency planning programs, to increase Federal energy efficiency by facilitating the use of private-sector partnerships to prevent energy and water waste, and for other purposes)

Strike all and insert the following:

TITLE—EMERGENCY ENERGY ASSISTANCE AND CONSERVATION MEASURES

SEC. 01. SHORT TITLE.

This title may be cited as the ''Energy Emergency Response Act of 2001''.

SEC. 02. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) high energy costs are causing hardship for families;

(2) restructured energy markets have increased the need for a higher and more consistent level of funding for low-income energy assistance programs;

(3) conservation programs implemented by the States and the low-income weatherization program reduce costs and need for additional energy supplies;

(4) energy conservation is a cornerstone of national energy security policy;

(5) the Federal Government is the largest consumer of energy in the economy of the United States; and

(6) many opportunities exist for significant energy cost savings within the Federal Government.

(b) PURPOSES.—The purposes of this title are to provide assistance to those individuals most affected by high energy prices and to promote and accelerate energy conservation investments in private and Federal facilities.

SEC. 03. INCREASED FUNDING FOR LIHEAP, WEATHERIZATION AND STATE ENERGY GRANTS.

(a) LIHEAP.—(1) Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended by striking the first sentence and inserting the following: ''There are authorized to be appropriated to carry out the provisions of this title (other than section 2607A), $3,400,000,000 for each of fiscal years 2001 through 2005.''.

(2) Section 2605(b)(2) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)) is amended by adding at the end the following:

''And except that during fiscal year 2001, a State may make payments under this title to households with incomes up to and including 200 percent of the poverty level for such State;''.

(b) WEATHERIZATION ASSISTANCE.—Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended by striking 'For fiscal years 1999 through 2003 such sums as may be necessary' and inserting: ''$310,000,000 for fiscal years 2001 and 2002, $325,000,000 for fiscal year 2003, $400,000,000 for fiscal year, and $500,000,000 for fiscal year 2005.''.

(c) STATE ENERGY CONSERVATION GRANTS.—Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended by striking ''for fiscal years 1999 through 2003 such sums as may be necessary'' and inserting: ''$75,000,000 for each of fiscal years 2001 through 2005.''

SEC. 04. FEDERAL ENERGY MANAGEMENT REVIEWS.

Section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) is amended by adding at the end the following:

''(e) PRIORITY RESPONSE REVIEWS.—Each agency shall—

''(1) not later than October 1, 2001, undertake a comprehensive review of all practicable measures for—

''(A) increasing energy and water conservation, and

''(B) using renewable energy sources; and

''(2) not later than 180 days after completing the review, implement measures to achieve not less than 50 percent of the potential efficiency and renewable savings identified in the review.''.

SEC. 05. COST SAVINGS FROM REPLACEMENT FACILITIES.

Section 801(a) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)) is amended by adding at the end the following:

''(3)(A) In the case of an energy savings contract or energy savings performance contract providing for energy savings through the construction and operation of one or more buildings or facilities to replace one or more existing buildings or facilities, benefits ancillary to the purpose of such contract under paragraph (1) may include savings resulting from reduced costs of operation and maintenance at such replacement buildings or facilities being replaced.

''(B) Notwithstanding paragraph (2)(B), aggregate annual payments by an agency under an energy savings contract or energy savings performance contract referred to in subparagraph (A) may take into account (through the procedures developed pursuant to this section) savings resulting from reduced costs of operation and maintenance as described in subparagraph (A).''.

SEC. 06. REPEAL OF ENERGY SAVINGS PERFORMANCE CONTRACT SUNSET.

Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is repealed.

SEC. 07. ENERGY SAVINGS PERFORMANCE CONTRACT DEFINITIONS.

(a) ENERGY SAVINGS.—Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended to read as follows:

''(2) The term 'energy savings' means a reduction in the cost of energy, water, or wastewater treatment from a base cost established through a methodology set forth in the contract, used by either—

''(A) an existing federally owned building or buildings or other federally owned facilities as a result of—

''(i) the lease or purchase of operating equipment, improvements, altered operation and maintenance, or technical services;

''(ii) more efficient use of existing energy sources by cogeneration or heat recovery, excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities; or

''(iii) more efficient use of water at an existing federally owned building or buildings, in either interior or exterior applications; or

''(B) a replacement facility under section 801(a)(3).''.

(b) ENERGY SAVINGS CONTRACT.—Section 804(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(3)) is amended to read as follows;

''The terms 'energy savings contract' and 'energy savings performance contract' mean a contract which provides for—

''(A) the performance of services for the design, acquisition, installation, testing, operation, and, where appropriate, maintenance

and repair, of an identified energy, water conservation, or wastewater treatment measure or series of measures at one or more locations; or

''(B) energy savings through the construction and operation of one or more buildings or facilities to replace one or more existing buildings or facilities.''.

(c) ENERGY OR WATER CONSERVATION MEASURE.—Section 804(4) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(4)) is amended to read a follows:

''The term 'energy or water conservation measure' means—

''(A) an energy conservation measure, as defined in section 551(4) (42 U.S.C. 8259(4)); or

''(B) a water conservation measure that improves the efficiency of water use, is life cycle cost effective, and involves water conservation, water recycling or reuse, improvements in operation or maintenance efficiencies, retrofit activities or other related activities, not affecting the power generating operations at a Federally-owned hydroelectric dam''.

SEC. 08. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect upon the date of enactment of this title.

Mr. BINGAMAN. Mr. President, for clarification, this modification merely changes the effective date of the amendment. The amendment I offered will raise the amount authorized to be appropriated by this Congress for weatherization programs and for low-income home energy assistance programs. Those are programs that help individuals and families around this country who are faced with rising and enormously increased natural gas bills and electricity bills and those who will be faced with substantial increases in those utility bills this summer for air-conditioning purposes.

It is important that we increase this authorization level and that we do so right away. It is also important that we appropriate money quickly. I am hoping we will see progress on that front, working with the administration in the next few weeks. I am certainly going to be urging the President and those in the Department of Energy to strongly support an appropriation in this area.

This is an important thing to do. This is not a substitute for a comprehensive energy bill by any means. Senator MURKOWSKI has introduced a comprehensive bill. I am working on developing a bill that is also much more broad in its reach and deals with the long-term energy needs of the country. This merely tries to deal with the immediate crisis.

It is very important we do this. I am very pleased all Senators have indicated support for this measure.

I yield the floor. I know Senator MURKOWSKI wishes to speak on this same subject.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair.

I join Senator BINGAMAN in urging support of the Bingaman amendment. It is cleared, as he indicated, on our side. I remind my colleagues that energy affects America's families and businesses. We are seeing higher energy costs, lost jobs, and reduced prosperity. We know, as Senator BINGAMAN indicated, that the amendment cannot replace the need for a comprehensive energy policy.

We have a crisis in this country. We are addressing the symptoms and not the causes. That is easier said than done. We are going to have to get into those causes. We certainly agree we need to provide additional funds for the weatherization assistance and the LIHEAP program.

As you might know, Mr. President, these programs are in title VI of the Murkowski-Breaux National Energy Security Act of 2001. Let me explain briefly the difference because we are very close.

As Senator BINGAMAN knows, we are going to be holding hearings on these matters beginning next week. We will hold a hearing each week.

On LIHEAP, we have proposed an increased base from $2 billion to $3 billion and an increase in emergency funds from $600 million to $1 billion. The Bingaman amendment increases the base from $2 billion to $3.4 billion, so there is an increase. However, there are no emergency funds.

In weatherization, Senator BINGAMAN's proposal and our proposal in title VI increases to $500 million by the year 2005. In weatherization State energy programs, we propose an increase of $125 million by 2005, and it is my understanding the Bingaman amendment proposes $75 million by 2005. We have set State energy efficiency goals to reduce energy use by 25 percent by 2010, compared to 1990 levels, and we encourage State and regional energy planning to go ahead.

I remind everyone, while we need immediate relief until we get an energy plan passed in its entirety that addresses supply and conservation, we are not going to have the immediate relief we would like. We only increase authorizations by this in a sense. It is better to address these programs, along with the other energy needs, through the comprehensive approach which I think is an obligation of the Energy Committee which we collectively work toward. A piecemeal approach to energy policy hasn't gotten us anywhere and that is part of the problem of where we are today.

My point is, for example, what are we going to do this summer when gasoline supplies run short, as they are expected to do, and the consumers pay up to $2 per gallon? Will we take the opportunity now to address the need for refining capacity in a comprehensive bill while we have the opportunity? Or will we avoid the tough political expensive decisions and instead come back here at a later time and increase LIHEAP yet again?

I think the time has come to make those tough decisions. I look forward to working with my colleague. We want to find a solution to add fuel to the tank of our economic engine now that it is running almost on empty. We will have to enact this year a comprehensive national energy policy. Otherwise, we will be forever chasing high energy prices with yet more temporary funds and placing the economic health and the national security of the country at risk.

Just as we can and need to get our way out of this energy crisis, we cannot buy our way out. The energy crisis, as we know, will not go away until we make the tough decisions that are needed to increase the supply of conventional fuels and improve our energy efficiency and conservation and expand the use of alternative fuel and renewables.

I congratulate Senator BINGAMAN and would like to be added as a cosponsor to his legislation.

I again reemphasize the reality that the American people expect us to address this crisis that impacts every American family. This amendment does not solve the underlying problem we face. We should and must address the illness, not the symptoms.

We must develop a comprehensive national energy strategy; again, one that ensures clean, secure, and affordable energy supply into the next decade.

I look forward to working with my colleague and others to develop this comprehensive energy strategy.

I yield to the Senator from Massachusetts.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, it is my understanding there is no further debate, this is accepted, and we can vote now.

The PRESIDING OFFICER. If there is no further debate on the amendment, the question is on agreeing to the amendment, No. 28, as modified.

The amendment (No. 28), as modified, was agreed to.

Mr. KERRY. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts.

NORTH KOREA

Mr. KERRY. Mr. President, I was briefly downstairs in a meeting with President Kim Dae Jung of South Korea. I will take a few moments to share with my colleagues some thoughts about our policy with respect to North Korea, which obviously has

profound implications for the region, as well as for the United States.

Mr. President, one of the major questions facing the United States and its South Korean and Japanese allies is how to deal with the ballistic missile threat posed by North Korea. Pyongyang has already demonstrated its capacity to launch a 500 kilogram warhead to a range of at least 1000 kilometers. The failed test of the Taepo Dong-2 missile in August 1999 clearly shows North Korea's interest in developing a longer range missile capability. North Korea's proliferation of missiles, missile components, technology and training to states such as Pakistan and Iran further magnifies the need to get Pyongyang to end its missile program.

The Clinton administration left a framework on the table which could, if pursued aggressively by the Bush administration, go a long way toward reducing the threat posed by North Korean missiles and missile exports. Our South Korean allies clearly want us to continue the discussions that the Clinton administration began with North Korea on the missile question. Two days ago Secretary of State Colin Powell stated that the Bush administration would ''pick up'' where the Clinton administration left off. Apparently not. Yesterday, President Bush told visiting South Korean President Kim Dae Jung that the administration would not resume missile talks with North Korea any time soon. I believe this is a serious mistake in judgment. I will suggest why.

Our South Korean allies are on the front line; they are under no illusions about the regime in North Korea or its leader Kim Jong I. President Kim firmly believes that Washington and Seoul must continue their efforts to open up North Korea, and that the United States should move quickly to resume the missile talks. We should listen to him carefully. I and others raised this issue with Secretary Powell earlier today, when he testified before the Foreign Relations Committee. The Secretary indicated that some of the things put on the table by the Clinton administration are ''promising'' but that monitoring and verification ''are not there.'' He said that the Bush administration intended to do a comprehensive policy review and then would decide when and how to engage North Korea.

I don't think any of us in the Senate would second-guess the right or even the good sense of a new administration conducting a thorough review of a particular area of the world or a particular policy. That makes sense. However, I am deeply concerned that by sending the message we will not even engage in a continuation of talks where the Clinton administration left off, that we wind up potentially offering an opportunity to see a window closed or for people to misinterpret the long-term intentions of the United States and perhaps make it more difficult to pick up where the Clinton administration left off when and if the administration resumes.

We need to reflect on the fact that North Korea took some remarkable steps, heretofore unimaginable steps, and under the 1994 agreed framework, North Korea set about to freeze its existing nuclear energy program under the IAEA supervision to permit special inspections to determine the past operating history of its reactor program just prior to the delivery of key components of light-water reactors.

A few years ago when the United States was concerned that North Korea was violating the agreed framework by possibly building a new reactor in an underground site at Kumchangi-ri, North Korea ultimately allowed a team of Americans to inspect the site, first in May of 1999 and each year thereafter.

This showed, clearly, that monitoring and verification agreements can be negotiated with North Korea. By the 11th hour of the Clinton administration, the United States and North Korea were discussing further proposals that would, indeed, prevent North Korea from developing missiles capable of striking the United States and bring a halt to North Korea's lucrative missile exports.

In my view, at this moment, now, we should still be encouraging progress in those particular areas. We should be particularly encouraging Pyongyang to continue down that path, not sending them a message that may, in fact, make it months later and far more difficult before we can do so. Delaying missile talks will not enhance the security of the United States or of the region about which we care. In fact, delay, coupled at this morning's hearing with Secretary Powell's somewhat lukewarm endorsement of the agreed framework could send a very negative signal about the nature and direction of United States policy toward North Korea.

The Clinton administration, in many people's judgment, may well have moved faster than some believed was prudent. But the reality is that negotiations have begun and proposals are on the table for discussion. Nothing has been agreed upon yet. There is no reason this administration could not pick up where the Clinton administration left off, even as it makes the decision to review and discuss alternative proposals. Nothing will preclude them from ensuring adequate monitoring and verification.

The issue of North Korea's missile capability is fundamental not only to security on the Korean peninsula but also to our own long-term security and also to the debate on national missile defense. The North Korean missile threat has been offered by the Bush administration and others as a major reason why the United States needs to move more rapidly with the National Missile Defense System. Given that, I am somewhat confused by the administration's go-slow approach on the missile talks with Pyongyang. If we can reduce or eliminate the threat posed by North Korea's missile program, not only to us but to others, we are going to be on a very different playing field. We will have greater security, on the one hand, and we will be able to look at other national missile defense options that may be less costly and less damaging to the arms control regime established by the Anti-Ballistic Missile treaty. With all of this in the balance, it seems to me that there is little to lose—and potentially much to gain—by getting back to the table with Pyongyang and seeing where the negotiations go.

It is my hope that this administration will rapidly move to do so.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

SOCIAL SECURITY AND MEDICARE LOCKBOX

Ms. STABENOW. Mr. President, I rise this afternoon to strongly support the Conrad amendment that is before us which would create a lockbox for Social Security and for Medicare.

As a member of the Budget Committee, I have watched and listened to the proposals of the administration as they relate not only to the tax cut before us but the spending priorities. I listened on the evening of the State of the Union to a variety of proposals, all of which sounded very good. In fact, in some cases sitting there knowing our fiscal constraints, it sounded too good to be true.

I find as a member of the Budget Committee looking at the details now that, in fact, it was too good to be true, and the budget that has been proposed proposes to use all of the Medicare trust fund and a portion of the Social Security trust fund in order to balance this budget. There is still a question about whether or not it adds up.

If we proceed as this body and the House of Representatives voted last year to protect Social Security and Medicare to keep it out of the revenue stream for spending proposals, if we support the lockbox notion, which I hope we will—again, it passed this body by 60 votes last year, and I am hopeful it will do the same this year—if we pull those dollars out and protect them as the people of the country expect us to do, not only the seniors but the baby boomers who will be retiring in large numbers beginning in about 11 years, and also my son and daughter who are young people, can look forward to the future expecting us to protect those funds. We find that the President's proposal for his tax cut takes up literally

the entire discretionary dollars available to us except for Social Security and Medicare of over the next 10 years. That is assuming we believe the projections, and we certainly hope they are true for the dollars that have been projected in surplus.

But we all know, as Chairman Greenspan indicated, that these are educated guesses.

Given the fact that if you protect Social Security and Medicare, the President's tax proposal takes every dollar of discretionary income left, rather than the next 10 years and being able to balance that with some dollars for investments in education, infrastructure, prescription drug coverage for Medicare, and balancing that with an important tax cut for middle-class families, it doesn't add up. The administration has chosen to dip into Medicare and Social Security in order to be able to provide dollars for important investments in the American people's priorities in terms of education and other areas.

If you protect Social Security and Medicare, the dollars are not there for education.

The President has said we are going to say the Medicare trust fund doesn't exist anymore. We heard in front of the Budget Committee from our new Treasury Secretary, as well as the Director of Management and Budget, that they believe there really isn't a trust fund; that, in fact, there isn't a surplus in Medicare, even though every year we get reports regarding the solvency of the trust fund and the date at which it will become insolvent, and the fact that the date has been growing further into the future because of the good economy.

Now we fear there is, in fact, no trust fund. Those reports, I guess, meant nothing before.

In reality, there is a Medicare trust fund. We know that Part A has been an important part of the solvency of Medicare, and this trust fund is critical in maintaining and protecting the health care benefits for the seniors and future generations in our country.

I urge my colleagues to send a very strong message to the White House and to the American people that we intend to keep the promises of Medicare and Social Security, and to lock away the Medicare trust fund along with every penny of Social Security so that we will keep those as a separate promise and protect them for our seniors, for our families, and for future generations.

Without this lockbox, we will find ourselves in the situation of seeing the budget continue down the road with the full intention of using the entire Medicare trust fund in order to balance the books, and a portion of Social Security in order to balance the books.

That is not in the best interest of the American people. We can do better than that. We can design a budget that protects Social Security and Medicare and strengthens it for the future, provide a real tax cut for middle-class families, small businesses, and family farmers in this country, and also pay down the debt so the interest rates our citizens and businesses are paying for will continue to go down, and at the same time invest in the priority that President Bush has articulated well—and I agree with—which is the question of education and investing in the future for our children.

This budget is about more than numbers. It is about our values as American people. In times when we have choices that we can make because of projected surpluses, the real task for each of us is what will be our priority? What will the choices be when we can make choices?

I strongly hope one of the choices made by this Congress and administration is not to use the entire Medicare trust fund to fund other purposes in the budget; that we will join together on a bipartisan basis, as has been done in the past when Republicans and Democrats joined together to support locking away the Social Security trust fund and the Medicare trust fund so that they are outside the budget stream and are protected for now and the future.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The majority leader.

COMMITTEE RULES AND FUNDING

Mr. LOTT. Mr. President, I want to take a few minutes now while we wait on other Senators who may want to comment on what I am about to say. But I want to thank the chairmen and the ranking members of the committees who have worked together over the past 6 weeks to get an agreement on the committee rules and the funding and staffing and space arrangements for the Senate committees this year.

Senator DASCHLE and I worked through a very difficult process to get the organization resolution passed back in January. But in some respects that was the easy part, even though that was not easy. It was easier than what the chairmen and ranking members had to go through. Each committee had to deal with how they were going to proceed with the 50–50 division of Members. They had to work on different rules of different committees, different personalities, and different responsibilities.

Most of the committees went through it at a pretty quick pace. Some of them were more difficult and were more complex.

When the time came the beginning of March for us to pass the funding resolution, not all had been done. There were, I guess, two or three committees that still had some serious reservations or disagreements. But for those committees we extended the time without a lot of difficulty. And those committees have continued to work together, and they have reached agreement, one by one.

Then we were down to just one final committee, and they have reached an agreement—Senator HATCH and Senator LEAHY. I know it was not easy for either one of them, but I want to thank all who have been involved for the effort that has been put into this. I think it still bodes well that we can work together through difficult issues in a bipartisan way.

Having said that, we are ready to go now, and we are ready to discharge the Rules Committee and adopt this resolution. I understand there has been an objection to it being done through the discharge mechanism, that they want the Judiciary Committee to act, and then they want the Rules Committee to meet.

I note that it is 10 minutes until 5 on Thursday. Members were told there would not be any further votes. So, once again, I am saying all this and pointing out that, while I am trying very hard, it is still very difficult to get things done without them being complicated. There is no reason why we should not discharge the committee and get this done after all of the good work that is being done. I am going to say, flat out, I suspect there is staff involved in this. It is uncalled for, and it is being, in my opinion, petty to have to track down Members to try to get them to come running over to try to get some sort of running quorum, and to have a vote. And then, by the way, what if we don't get them? What are we going to do, after all this work?

So, Mr. President, I ask Senator REID, can we move this forward? After all that Senator DASCHLE and I have done, and all that has been done by all the Members, on both sides—including the chairman and ranking member on Judiciary—can't we move this through now?

Mr. REID. The Judiciary Committee has completed their work. That part is out of the way. Would the leader allow me to suggest the absence of a quorum for a brief moment?

Mr. LOTT. Yes.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SESSIONS). Without objection, it is so ordered.

COMMITTEE EXPENDITURES

Mr. LOTT. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of S. Res. 54, submitted by

Senators LOTT and DASCHLE, regarding committee expenditures, that the resolution become the pending business, it then be considered agreed to, and the motion to reconsider be laid upon the table.

Before the Chair rules on this request, I want to announce to the Senate that this resolution contains the entire committee expenditures for all Senate committees to continue funding through February 28, 2003.

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

The resolution (S. Res. 54) was agreed to.

(The text of the resolution is located in today's RECORD under ''Statements on Submitted Resolutions.'')

Mr. LOTT. Mr. President, I thank Senator REID and staff on both sides of the aisle for making this possible. This really is an important achievement. We should understand that. It also guarantees our staff members will get their paychecks on time.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I say to the leader, it is my understanding there is going to be a business meeting of the Rules Committee next week. That was part of the agreement.

Mr. LOTT. Mr. President, if I may respond to Senator REID's inquiry, that was not part of the unanimous consent agreement, but that is the understanding on both sides of the aisle, that there should be a business meeting of the Rules Committee, and they should discuss matters that are pending and go forward from there.

Yes, that is our understanding. I know the chairman will be accommodating that.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now be in a period for morning business, with Senators permitted to speak for up to 10 minutes each.

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

RULES OF THE SENATE JUDICIARY COMMITTEE

Mr. HATCH. Mr. President, I ask unanimous consent that, pursuant to the Standing Rules of the Senate, the rules of the Senate Committee on the Judiciary as approved by the committee today be printed in the RECORD.

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

RULES OF THE SENATE COMMITTEE ON THE JUDICIARY

I. MEETINGS OF THE COMMITTEE

1. Meetings may be called by the Chairman as he may deem necessary on three days' notice or in the alternative with the consent of the Ranking Minority Member or pursuant to the provision of the Standing Rules of the Senate, as amended.

2. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 48 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

3. On the request of any member, a nomination or bill on the agenda of the Committee will be held over until the next meeting of the Committee or for one week, whichever occurs later.

II. QUORUMS

1. Ten Members shall constitute a quorum of the Committee when reporting a bill or nomination; provided the proxies shall not be counted in making a quorum.

2. For the purpose of taking sworn testimony, a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a quorum being present, a member who is unable to attend the meeting may submit his vote by proxy, in writing or by telephone, or through personal instructions. A proxy must be specific with respect to the matters it addresses.

IV. BRINGING THE MATTER TO A VOTE

The Chairman shall entertain a non-debatable motion to bring a matter before the Committee to a vote. If there is objection to bring the matter to a vote without further debate, a rollcall vote of the Committee shall be taken, and debate shall be terminated if the motion to bring the matter to a vote without further debate passes with ten votes in the affirmative, one of which must be cast by the Minority.

V. SUBCOMMITTEES

1. Any Member of the Committee may sit with any Subcommittee during its hearings or any other meeting, it shall not have the authority to vote on any matter before the Subcommittee unless he is a member of such Subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the Subcommittee chairmanship and seniority on the particular Subcommittee shall not necessarily apply.

3. Except for matters retained at the Full Committee, matters shall be referred to the appropriate Subcommittee or Subcommittees by the Chairman, except as agreed by a majority vote of the Committee or by the agreement of the Chairman and the Ranking Minority Member.

VI. ATTENDANCE RULES

1. Official attendance at all Committee markups and executive sessions of the Committee shall be kept by the Committee Clerk. Official attendance at all Subcommittee markups and executive sessions shall be kept by the Subcommittee Clerk.

2. Official attendance at all hearings shall be kept, provided that Senators are notified by the Committee Chairman and Ranking Member, in the case of Committee hearings, and by the Subcommittee Chairman and Ranking Member, in the case of Subcommittee hearings, 48 hours in advance of the hearing that attendance will be taken; otherwise, no attendance will be taken. Attendance at all hearings is encouraged.

RULES OF THE SENATE COMMITTEE ON VETERANS' AFFAIRS

Mr. SPECTER. Mr. President, the Committee on Veterans' Affairs has adopted rules governing its procedures for the 107th Congress. Pursuant to Rule XXVI, paragraph 2, of the Standing Rules of the Senate, on behalf of myself and Senator ROCKEFELLER, I ask unanimous consent that a copy of the Committee rules be printed in the RECORD.

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

COMMITTEE ON VETERANS' AFFAIRS RULES OF PROCEDURE

I. MEETINGS

(a) Unless otherwise ordered, the Committee shall meet on the first Wednesday of each month. The Chairman may, upon proper notice and after consultation with the Ranking Member, call such additional meetings as he deems necessary.

(b) Except as provided in subparagraphs (b) and (d) of paragraph 5 of rule XXVI of the Standing Rules of the Senate, meetings of the Committee shall be open to the public. The Committee shall prepare and keep a complete transcript or electronic recording adequate to fully record the proceedings of each meeting whether or not such meeting or any part thereof is closed to the public.

(c) The Chairman of the Committee or the Ranking Member in the absence of the Chairman, or such other Member as the Chairman may designate, shall preside at all meetings.

(d) Except as provided in rule XXVI of the Standing Rules of the Senate and as specified in paragraph (h), no meeting of the Committee shall be scheduled except by majority vote of the Committee or by authorization of the Chairman of the Committee after consultation with the Ranking Member.

(e) The Committee shall notify the office designated by the Committee on Rules and Administration of the time, place, and purpose of each meeting. In the event such meeting is canceled, the Committee shall immediately notify such designated office.

(f) Written notice of a Committee meeting, accompanied by an agenda enumerating the items of business to be considered, which agenda will be developed by the Chairman in consultation with the Ranking Member, shall be sent to all Committee members at least 72 hours (not counting Saturdays, Sundays, and Federal holidays) in advance of each meeting. In the event that the giving of such 72-hour notice is prevented by unforeseen requirements or Committee business, the Committee staff shall communicate notice by the quickest appropriate means to members or appropriate staff assistants of Members and an agenda shall be furnished prior to the meeting.

(g) Subject to the second sentence of this paragraph, it shall not be in order for the Committee to consider any amendment in the first degree proposed to any measure under consideration by the Committee unless a written copy of such amendment has been delivered to each member of the Committee at least 24 hours before the meeting

at which the amendment is to be proposed. This paragraph may be waived by a majority vote of the members and shall apply only when 72-hour written notice has been provided in accordance with paragraph (f).

(h) During such times in the 107th Congress as the parties shall be equally divided, if, after consultation by the Ranking Member of the Committee with the Chairman, an oversight hearing requested by the Ranking Member is not scheduled by the Chairman to take place within a reasonable period, the procedures set forth in paragraph 3 of rule XXVI of the Standing Rules of the Senate shall apply, except, with respect to oversight hearings only, the number of members required to file the written notice of a special meeting under that rule shall be reduced to seven.

II. QUORUMS

(a) Subject to the provisions of paragraph (b), eight members of the Committee shall constitute a quorum for the reporting or approving of any measure or matter or recommendation. Five members of the Committee shall constitute a quorum for purposes of transacting any other business.

(b) In order to transact any business at a Committee meeting, at least one member of the Ranking Member's party shall be present. If, at any meeting, business cannot be transacted because of the absence of such a member, the matter shall lay over for a calendar day. If the presence of a member of the Ranking Member's party is not then obtained, business may be transacted by the appropriate quorum.

(c) One member shall constitute a quorum for the purpose of receiving testimony.

III. VOTING

(a) Votes may be cast by proxy. A proxy shall be written and may be conditioned by personal instructions. A proxy shall be valid only for the day given.

(b) There shall be a complete record kept of all Committee action. Such record shall contain the vote cast by each member of the Committee on any question on which a roll call vote is requested.

IV. HEARINGS AND HEARING PROCEDURES

(a) Except as specifically otherwise provided, the rules governing meetings shall govern hearings.

(b) At least 1 week in advance of the date of any hearing, the Committee shall undertake, consistent with the provisions of paragraph 4 of rule XXVI of the Standing Rules of the Senate, to make public announcements of the date, place, time, and subject matter of such hearing.

(c) The Committee shall require each witness who is scheduled to testify at any hearing to file 40 copies of such witness' testimony with the Committee not later than 48 hours prior to the witness' scheduled appearance unless the Chairman and Ranking Member determine there is good cause for failure to do so.

(d) The presiding member at any hearing is authorized to limit the time allotted to each witness appearing before the Committee.

(e) The Chairman, with the concurrence of the Ranking Member of the Committee, is authorized to subpoena the attendance of witnesses and the production of memoranda, documents, records, and any other materials. If the Chairman or a Committee staff member designated by the Chairman has not received from the Ranking Member or a Committee staff member designated by the Ranking Member notice of the Ranking Member's nonconcurrence in the subpoena within 48 hours (excluding Saturdays, Sundays, and Federal holidays) of being notified of the Chairman's intention to subpoena attendance or production, the Chairman is authorized following the end of the 48-hour period involved to subpoena the same without the Ranking Member's concurrence. Regardless of whether a subpoena has been concurred in by the Ranking Member, such subpoena may be authorized by vote of the Members of the Committee. When the Committee or Chairman authorizes a subpoena, the subpoena may be issued upon the signature of the Chairman or of any other member of the Committee designated by the Chairman.

(f) In the event that a hearing is convened under the provisions of rule XXVI of the Standing Rules of the Senate, the Ranking Member shall, subject to each and all of the limitations specified in paragraph IV(e) of these rules, have the same powers to subpoena witnesses as would otherwise be vested in the Chairman, and the Chairman, in such instances, shall have the same prerogatives as would otherwise be vested in the Ranking Member under paragraph IV(e) of these rules.

(g) Except as specified in Committee Rule VII (requiring oaths, under certain circumstances, at hearings to confirm Presidential nominations), witnesses at hearings will be required to give testimony under oath whenever the presiding member deems such to be advisable.

V. MEDIA COVERAGE

Any Committee meeting or hearing which is open to the public may be covered by television, radio, and print media. Photographers, reporters, and crew members using mechanical recording, filming or broadcasting devices shall position and use their equipment so as not to interfere with the seating, vision, or hearing of the Committee members or staff or with the orderly conduct of the meeting or hearing. The presiding member of the meeting or hearing may for good cause terminate, in whole or in part, the use of such mechanical devices or take such other action as the circumstances and the orderly conduct of the meeting or hearing may warrant.

VI. GENERAL

All applicable requirements of the Standing Rules of the Senate shall govern the Committee.

VII. PRESIDENTIAL NOMINATIONS

(a) Each Presidential nominee whose nomination is subject to Senate confirmation and referred to this Committee shall submit a statement of his or her background and financial interests, including the financial interests of his or her spouse and of children living in the nominee's household, on a form approved by the Committee which shall be sworn to as to its completeness and accuracy. The Committee form shall be in two parts—

(A) information concerning employment, education, and background of the nominee which generally relates to the position to which the individual is nominated, and which is to be made public; and

(B) information concerning the financial and other background of the nominee, to be made public when the Committee determines that such information bears directly on the nominee's qualifications to hold the position to which the individual is nominated.

Committee action on a nomination, including hearings or a meeting to consider a motion to recommend confirmation, shall not be initiated until at least five days after the nominee submits the form required by this rule unless the Chairman, with the concurrence of the Ranking Minority Member, waives this waiting period.

(b) At any hearing to confirm a Presidential nomination, the testimony of the nominee and, at the request of any Member, any other witness shall be under oath.

VIII. NAMING OF DEPARTMENT OF VETERANS AFFAIRS FACILITIES

It is the policy of the Committee that no Department of Veterans Affairs facility shall be named after any individual unless—

(A) such individual is deceased and was—

(1) a veteran who (i) was instrumental in the construction or the operation of the facility to be named, or (ii) was a recipient of the Medal of Honor or, as determined by the Chairman and Ranking Minority Member, otherwise performed military service of an extraordinarily distinguished character;

(2) a member of the United States House of Representatives or Senate who had a direct association with such facility;

(3) an Administrator of Veterans' Affairs, a Secretary of Veterans Affairs, a Secretary of Defense or of a service branch, or a military or other Federal civilian official of comparable or higher rank; or

(4) an individual who, as determined by the Chairman and Ranking Minority Member, performed outstanding service for veterans;

(B) each member of the Congressional delegation representing the State in which the designated facility is located has indicated in writing such member's support of the proposal to name such facility after such individual; and

(C) the pertinent State department or chapter of each Congressionally chartered veterans' organization having a national membership of at least 500,000 has indicated in writing its support of such proposal.

IX. AMENDMENTS TO THE RULES

The rules of the Committee may be changed, modified, amended, or suspended at any time, provided, however, that no less than a majority of the entire membership so determine at a regular meeting with due notice, or at a meeting specifically called for that purpose. The rules governing quorums for reporting legislative matters shall govern rules changes, modification, amendments, or suspension.

RULES OF THE SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. THOMPSON. Mr. President, Senate Standing Rule XXVI requires each committee to adopt rules to govern the procedures of the Committee and to publish those rules in the CONGRESSIONAL RECORD not later than March 1 of the first year of each Congress. Pursuant to a unanimous consent agreement reached on February 28, 2001, notwithstanding the provisions of Rule XXVI of the Standing Rules of the Senate, for the purposes of the 107th Congress, the publication date for committee rules shall not be later than March 10, 2001.

On March 8, 2001, the Committee on Governmental Affairs held a business meeting during which the members of the Committee unanimously adopted the rules to govern the procedures of the Committee. In addition, a majority of members of the Committee's Permanent Subcommittee on Investigations

adopted subcommittee rules of procedure on March 2, 2001.

Consistent with Standing Rules XXVI, today I am submitting for printing in the CONGRESSIONAL RECORD a copy of the rules of the Senate Committee on Governmental Affairs and its Permanent Subcommittee on Investigations.

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

RULES OF PROCEDURE FOR THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS

1. No public hearing connected with an investigation may be held without the approval of either the Chairman and the Ranking Minority Member or the approval of a majority of the Members of the Subcommittee. In all cases, notification to all Members of the intent to hold hearings must be given at least 7 days in advance to the date of the hearing. The Ranking Minority Member should be kept fully apprised of preliminary inquiries, investigations, and hearings. Preliminary inquiries may be initiated by the Subcommittee majority staff upon the approval of the Chairman and notice of such approval to the Ranking Minority Member or the minority counsel. Preliminary inquiries may be undertaken by the minority staff upon the approval of the Ranking Minority Member and notice of such approval to the Chairman or Chief Counsel. Investigations may be undertaken upon the approval of the Chairman of the Subcommittee and the Ranking Minority Member with notice of such approval to all members.

No public hearing shall be held if the minority Members unanimously object, unless the full Committee on Governmental Affairs by a majority vote approves of such public hearing.

Senate Rules will govern all closed sessions convened by the Subcommittee (Rule XXVI, Sec. 5(b), Standing Rules of the Senate).

2. Subpoenas for witnesses, as well as documents and records, may be authorized and issued by the Chairman, or any other Member of the Subcommittee designated by him, with notice to the Ranking Minority Member. A written notice of intent to issue a subpoena shall be provided to the Chairman and Ranking Minority Member of the Committee, or staff officers designated by them, by the Subcommittee Chairman or a staff officer designated by him, immediately upon such authorization, and no subpoena shall issue for at least 48 hours, excluding Saturdays and Sundays, from delivery to the appropriate offices, unless the Chairman and Ranking Minority Member waive the 48 hour waiting period or unless the Subcommittee Chairman certifies in writing to the Chairman and Ranking Minority Member that, in his opinion, it is necessary to issue a subpoena immediately.

3. The Chairman shall have the authority to call meetings of the Subcommittee. This authority may be delegated by the Chairman to any other Member of the Subcommittee when necessary.

4. If at least three Members of the Subcommittee desire the Chairman to call a special meeting, they may file in the office of the Subcommittee, a written request therefor, addressed to the Chairman. Immediately thereafter, the clerk of the Subcommittee shall notify the Chairman of such request. If, within 3 calendar days after the filing of such request, the Chairman fails to call the requested special meeting, which is to be held within 7 calendar days after the filing of such request, a majority of the Subcommittee Members may file in the office of the Subcommittee their written notice that a special Subcommittee meeting will be held, specifying the date and hour thereof, and the Subcommittee shall meet on that date and hour. Immediately upon the filing of such notice, the Subcommittee clerk shall notify all Subcommittee Members that such special meeting will be held and inform them of its dates and hour. If the Chairman is not present at any regular, additional or special meeting, the ranking majority Member present shall preside.

5. For public or executive sessions, one Member of the Subcommittee shall constitute a quorum for the administering of oaths and the taking of testimony in any given case or subject matter.

Five (5) Members of the Subcommittee shall constitute a quorum for the transaction of Subcommittee business other than the administering of oaths and the taking of testimony.

6. All witnesses at public or executive hearings who testify to matters of fact shall be sworn.

7. If, during public or executive sessions, a witness, his counsel, or any spectator conducts himself in such a manner as to prevent, impede, disrupt, obstruct, or interfere with the orderly administration of such hearing, the Chairman or presiding Member of the Subcommittee present during such hearing may request the Sergeant at Arms of the Senate, his representative or any law enforcement official to eject said person from the hearing room.

8. Counsel retained by any witness and accompanying such witness shall be permitted to be present during the testimony of such witness at any public or executive hearing, and to advise such witness while he is testifying, of his legal rights, Provided, however, that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the Subcommittee Chairman may rule that representation by counsel from the government, corporation, or association, or by counsel representing other witnesses, creates a conflict of interest, and that the witness may only be represented during interrogation by staff or during testimony before the Subcommittee by personal counsel not from the government, corporation, or association, or by personal counsel not representing other witnesses. This rule shall not be construed to excuse a witness from testifying in the event his counsel is ejected for conducting himself in such a manner so as to prevent, impede, disrupt, obstruct, or interfere with the orderly administration of the hearings; nor shall this rule be construed as authorizing counsel to coach the witness or answer for the witness. The failure of any witness to secure counsel shall not excuse such witness from complying with a subpoena or deposition notice.

9. Depositions.

9.1 Notice. Notices for the taking of depositions in an investigation authorized by the Subcommittee shall be authorized and issued by the Chairman. The Chairman of the full Committee and the Ranking Minority Member of the Subcommittee shall be kept fully apprised of the authorization for the taking of depositions. Such notices shall specify a time and place of examination, and the name of the Subcommittee Member or Members or staff officer or officers who will take the deposition. The deposition shall be in private. The Subcommittee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness' failure to appear unless the deposition notice was accompanied by a Subcommittee subpoena.

9.2 Counsel. Witnesses may be accompanied at a deposition by counsel to advise them of their legal rights, subject to the provisions of Rule 8.

9.3 Procedure. Witnesses shall be examined upon oath administered by an individual authorized by local law to administer oaths. Questions shall be propounded orally by Subcommittee Members or staff. Objections by the witness as to the form of questions shall be noted for the record. If a witness objects to a question and refuses to testify on the basis of relevance or privilege, the Subcommittee Members or staff may proceed with the deposition, or may, at that time or at a subsequent time, seek a ruling by telephone or otherwise on the objection from the Chairman or such Subcommittee Member as designated by him. If the Chairman or designated Member overrules the objection, he may refer the matter to the Subcommittee or he may order and direct the witness to answer the question, but the Subcommittee shall not initiate procedures leading to civil or criminal enforcement unless the witness refuses to testify after he has been ordered and directed to answer by a Member of the Subcommittee.

9.4 Filing. The Subcommittee staff shall see that the testimony is transcribed or electronically recorded. If it is transcribed, the witness shall be furnished with a copy for review pursuant to the provisions of Rule 12. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record of the testimony, and the transcript shall then be filed with the Subcommittee clerk. Subcommittee staff may stipulate with the witness to changes in this procedure; deviations from this procedure which do not substantially impair the reliability of the record shall not relieve the witness from his obligation to testify truthfully.

10. Any witness desiring to read a prepared or written statement in executive or public hearings shall file a copy of such statement with the Chief Counsel or Chairman of the Subcommittee 48 hours in advance of the hearings at which the statement is to be presented unless the Chairman and the Ranking Minority Member waive this requirement. The Subcommittee shall determine whether such statement may be read or placed in the record of the hearing.

11. A witness may request, on grounds of distraction, harassment, personal safety, or physical discomfort, that during the testimony, television, motion picture, and other cameras and lights shall not be directed at him. Such requests shall be ruled on by the Subcommittee Members present at the hearing.

12. An accurate stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. The record of his own testimony whether in public or executive session shall be made available for inspection by witness or his counsel under Subcommittee supervision; a copy of any testimony given in public session or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session shall be made available to any witness at his expense if he so requests.

13. Interrogation of witnesses at Subcommittee hearings shall be conducted on behalf of the Subcommittee by Members and authorized Subcommittee staff personnel only.

14. Any person who is the subject of an investigation in public hearings may submit to the Chairman of the Subcommittee questions in writing for the cross-examination of other witnesses called by the Subcommittee. With the consent of a majority of the Members of the Subcommittee present and voting, these questions, or paraphrased versions of them, shall be put to the witness by the Chairman, by a Member of the Subcommittee or by counsel of the Subcommittee.

15. Any person whose name is mentioned or who is specifically identified, and who believes that testimony or other evidence presented at a public hearing, or comment made by a Subcommittee Member or counsel, tends to defame him or otherwise adversely affect his reputation, may (a) request to appear personally before the Subcommittee to testify in his own behalf, or, in the alternative, (b) file a sworn statement of facts relevant to the testimony or other evidence or comment complained of. Such request and such statement shall be submitted to the Subcommittee for its consideration and action.

If a person requests to appear personally before the Subcommittee pursuant to alternative (a) referred to herein, said request shall be considered untimely if it is not received by the Chairman of the Subcommittee or its counsel in writing on or before thirty (30) days subsequent to the day on which said person's name was mentioned or otherwise specifically identified during a public hearing held before the Subcommittee, unless the Chairman and the Ranking Minority Member waive this requirement.

If a person requests the filing of his sworn statement pursuant to alternative (b) referred to herein, the Subcommittee may condition the filing of said sworn statement upon said person agreeing to appear personally before the Subcommittee and to testify concerning the matters contained in his sworn statement, as well as any other matters related to the subject of the investigation before the Subcommittee.

16. All testimony taken in executive session shall be kept secret and will not be released for public information without the approval of a majority of the Subcommittee.

17. No Subcommittee report shall be released to the public unless approved by a majority of the Subcommittee and after no less than 10 days' notice and opportunity for comment by the Members of the Subcommittee unless the need for such notice and opportunity to comment has been waived in writing by a majority of the minority Members.

18. The Ranking Minority Member may select for appointment to the Subcommittee staff a Chief Counsel for the minority and such other professional staff members and clerical assistants as he deems advisable. The total compensation allocated to such minority staff members shall be not less than one-third the total amount allocated for all Subcommittee staff salaries during any given year. The minority staff members shall work under the direction and supervision of the Ranking Minority Member. The Chief Counsel for the minority shall be kept fully informed as to preliminary inquiries, investigations, and hearings, and shall have access to all material in the files of the Subcommittee.

19. When it is determined by the Chairman and Ranking Minority Member, or by a majority of the Subcommittee, that there is reasonable cause to believe that a violation of law may have occurred, the Chairman and Ranking Minority Member by letter, or the Subcommittee by resolution, are authorized to report such violation to the proper State, local and/or Federal authorities. Such letter or report may recite the basis for the determination of reasonable cause. This rule is not authority for release of documents or testimony.

RULES OF PROCEDURE OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS PURSUANT TO RULE XXVI, SEC. 2, STANDING RULES OF THE SENATE

RULE 1. MEETINGS AND MEETING PROCEDURES OTHER THAN HEARINGS

A. Meeting dates. The Committee shall hold its regular meetings on the first Thursday of each month, when the Congress is in session, or at such other times as the chairman shall determine. Additional meetings may be called by the chairman as he deems necessary to expedite Committee business. (Rule XXVI, Sec. 3, Standing Rules of the Senate.)

B. Calling special Committee meetings. If at least three members of the Committee desire the chairman to call a special meeting, they may file in the offices of the Committee a written request therefor, addressed to the chairman. Immediately thereafter, the clerk of the committee shall notify the chairman of such request. If, within 3 calendar days after the filing of such request, the chairman fails to call the requested special meeting, which is to be held within 7 calendar days after the filing of such request, a majority of the committee members may file in the offices of the committee their written notice that a special Committee meeting will be held, specifying the date and hour thereof, and the Committee shall meet on that date and hour. Immediately upon the filing of such notice, the Committee clerk shall notify all Committee members that such special meeting will be held and inform them of its date and hour. (Rule XXVI, Sec. 3, Standing Rules of the Senate.)

C. Meeting notices and agenda. Written notices of Committee meetings, accompanied by an agenda, enumerating the items of business to be considered, shall be sent to all Committee members at least 3 days in advance of such meetings, excluding Saturdays, Sundays, and legal holidays in which the Senate is not in session. The written notices required by this Rule may be provided by electronic mail. In the event that unforeseen requirements or Committee business prevent a 3-day notice of either the meeting or agenda, the Committee staff shall communicate such notice and agenda, or any revisions to the agenda, as soon as practicable by telephone or otherwise to members or appropriate staff assistants in their offices.

D. Open business meetings. Meetings for the transaction of Committee or Subcommittee business shall be conducted in open session, except that a meeting or series of meetings on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in clauses (1) through (6) below would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the Committee or Subcommittee members when it is determined that the matters to be discussed or the testimony to be taken at such meeting or meetings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of foreign relations of the United States;

(2) will relate solely to matters of Committee or Subcommittee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise expose an individual to public contempt or obloquy or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of an informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Rule XXVI, Sec. 5(b), Standing Rules of the Senate.)

Notwithstanding the foregoing, whenever disorder arises during a Committee or Subcommittee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the chairman to enforce order on his own initiative and without any point of order being made by a member of the Committee or Subcommittee; *provided, further*, that when the chairman finds it necessary to maintain order, he shall have the power to clear the room, and the Committee or Subcommittee may act in closed session for so long as there is doubt of the assurance of order. (Rule XXVI, Sec. 5(d), Standing Rules of the Senate.)

E. Prior notice of first degree amendments. It shall not be in order for the committee, or a Subcommittee thereof, to consider any amendment in the first degree proposed to any measure under consideration by the Committee or Subcommittee unless a written copy of such amendment has been delivered to each member of the Committee or Subcommittee, as the case may be, and to the office of the Committee or Subcommittee, at least 24 hours before the meeting of the Committee or Subcommittee at which the amendment is to be proposed. The written copy of amendments in the first degree required by this Rule may be provided by electronic mail. This subsection may be waived by a majority of the members present. This subsection shall apply only when at least 72 hours written notice of a session to mark-up a measure is provided to the Committee or Subcommittee.

F. Meeting transcript. The Committee or Subcommittee shall prepare and keep a complete transcript or electronic recording adequate to fully record the proceeding of each meeting whether or not such meeting or any part thereof is closed to the public, unless a majority of the Committee or Subcommittee members vote to forgo such a record. (Rule

XXVI, Sec. 5(e), Standing Rules of the Senate.)

RULE 2. QUORUMS

A. Reporting measures and matters. A majority of the members of the Committee shall constitute a quorum for reporting to the Senate any measures, matters or recommendations. (Rule XXVI, Sec. 7(a)(1), Standing Rules of the Senate.)

B. Transaction of routine business. One-third of the membership of the Committee shall constitute a quorum for the transaction of routine business, provided that one member of the minority is present.

For the purpose of this paragraph, the term ''routine business'' includes the convening of a meeting and the consideration of any business of the Committee other than reporting to the Senate any measures, matters or recommendations. (Rule XXVI, Sec. 7(a)(1), Standing Rules of the Senate.)

C. Taking testimony. One member of the Committee shall constitute a quorum for taking sworn or unsworn testimony. (Rule XXVI, Sec. 7(a)(2) and 7(c)(2), Standing Rules of the Senate.)

D. Subcommittee quorums. Subject to the provisions of sections 7(a) (1) and (2) of Rule XXVI of the Standing Rules of the Senate, the Subcommittees of this Committee are authorized to establish their own quorums for the transaction of business and the taking of sworn testimony.

E. Proxies prohibited in establishment of quorum. Proxies shall not be considered for the establishment of a quorum.

RULE 3. VOTING

A. Quorum required. Subject to the provisions of subsection (E), no vote may be taken by the Committee, or any Subcommittee thereof, on any measure or matter unless a quorum, as prescribed in the preceding section, is actually present.

B. Reporting measures and matters. No measure, matter or recommendation shall be reported from the Committee unless a majority of the Committee members are actually present, and the vote of the Committee to report a measure or matter shall require the concurrence of a majority of those members who are actually present at the time the vote is taken. (Rule XXVI, Sec. 7(a)(1) and (3), Standing Rules of the Senate.)

C. Proxy voting. Proxy voting shall be allowed on all measures and matters before the Committee, or any Subcommittee thereof, except that, when the Committee, or any Subcommittee thereof, is voting to report a measure or matter, proxy votes shall be allowed solely for the purposes of recording a member's position on the pending question. Proxy voting shall be allowed only if the absent Committee or Subcommittee member has been informed of the matter on which he is being recorded and his affirmatively requested that he be so recorded. All proxies shall be filed with the chief clerk of the Committee or Subcommittee thereof, as the case may be. All proxies shall be in writing and shall contain sufficient reference to the pending matter as is necessary to identify it and to inform the Committee or Subcommittee as to how the member establishes his vote to be recorded thereon. (Rule XXVI, Sec. 7(a)(3) and 7(c)(1), Standing Rules of the Senate.)

D. Announcement of vote. (1) Whenever the Committee by roll call vote reports any measure or matter, the report of the Committee upon such a measure or matter shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the Committee. (Rule XXVI, Sec. 7(c), Standing Rules of the Senate.)

(2) Whenever the Committee by roll call vote acts upon any measure or amendment thereto, other than reporting a measure or matter, the results thereof shall be announced in the Committee report on that measure unless previously announced by the Committee, and such announcement shall include a tabulation of the votes cast in favor of and the votes cast in opposition to each such measure and amendment thereto by each member of the Committee who was present at the meeting. (Rule XXVI, Sec. 7(b), Standing Rules of the Senate.)

(3) In any case in which a roll call vote is announced, the tabulation of votes shall state separately the proxy vote recorded in favor of and in opposition to that measure, amendment thereto, or matter. (Rule XXVI, Sec. 7(b) and (c), Standing Rules of the Senate.)

E. Polling. (1) The Committee, or any Subcommittee thereof, may poll (a) internal Committee or Subcommittee matters including the Committee's or Subcommittee's staff, records and budget; (b) steps in an investigation, including issuance of subpoenas, applications for immunity orders, and requests for documents from agencies; and (c) other Committee or Subcommittee business other than a vote on reporting to the Senate any measures, matters or recommendations or a vote on closing a meeting or hearing to the public.

(2) Only the chairman, or a Committee member or staff officer designated by him, may undertake any poll of the members of the Committee. If any member requests, any matter to be polled shall be held for meeting rather than being polled. The chief clerk of the Committee shall keep a record of polls; if a majority of the members of the Committee determine that the polled matter is in one of the areas enumerated in subsection (D) of Rule 1, the record of the poll shall be confidential. Any Committee member may move at the Committee meeting following the poll for a vote on the polled decision, such motion and vote to be subject to the provisions of subsection (D) of Rule 1, where applicable.

RULE 4. CHAIRMANSHIP OF MEETINGS AND HEARINGS

The chairman shall preside at all Committee meetings and hearings except that he shall designate a temporary chairman to act in his place if he is unable to be present at a scheduled meeting or hearing. If the chairman (or his designee) is absent 10 minutes after the scheduled time set for a meeting or hearing, the ranking majority member present shall preside until the chairman's arrival. If there is no member of the majority present, the ranking minority member present, with the prior approval of the chairman, may open and conduct the meeting or hearing until such time as a member of the majority arrives.

RULE 5. HEARINGS AND HEARINGS PROCEDURES

A. Announcement of hearings. The Committee, or any Subcommittee thereof, shall make public announcement of the date, time, and subject matter of any hearing to be conducted on any measure or matter at least 1 week in advance of such hearing, unless the Committee, or Subcommittee, determines that there is good cause to begin such hearing at an earlier date. (Rule XXVI, Sec. 4(a), Standing rules of the Senate.)

B. Open hearings. Each hearing conducted by the Committee, or any Subcommittee thereof, shall be open to the public, except that a hearing or series of hearings on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in clauses (1) through (6) below would require the hearing to be closed, followed immediately by a record vote in open session by a majority of the Committee or Subcommittee members when it is determined that the matters to be discussed or the testimony to be taken at such hearing or hearings—

(1) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of foreign relations of the United States;

(2) will relate solely to matters of Committee or Subcommittee staff personnel or internal staff management or procedure;

(3) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise expose an individual to public contempt or obloquy or will represent a clearly unwarranted invasion of the privacy of an individual;

(4) will disclose the identity of an informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(5) will disclose information relating to the trade secrets of financial or commercial information pertaining specifically to a given person if—

(A) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(B) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(6) may divulge matters required to be kept confidential under other provisions of law or Government regulations. (Rule XXVI, Sec. 5(b), Standing Rules of the Senate.)

Notwithstanding the foregoing, whenever disorder arises during a Committee or Subcommittee meeting that is open to the public, or any demonstration of approval or disapproval is indulged in by any person in attendance at any such meeting, it shall be the duty of the chairman to enforce order on his own initiative and without any point of order being made by a member of the Committee or Subcommittee; *provided, further*, that when the chairman finds it necessary to maintain order, he shall have the power to clear the room, and the Committee or Subcommittee may act in closed session for so long as there is doubt of the assurance of order. (Rule XXVI, Sec. 5(d), Standing rules of the Senate.)

C. Full Committee subpoenas. The chairman, with the approval of the ranking minority member of the Committee, is authorized to subpoena the attendance of witnesses or the production of memoranda, documents, records, or any other materials at a hearing or deposition, provided that the chairman may subpoena attendance or production without the approval of the ranking minority member where the chairman or a staff officer designated by him has not received notification from the ranking minority member or a staff officer designated by him of disapproval of the subpoena within 72 hours, excluding Saturdays and Sundays, of being notified of the subpoena. If a subpoena is disapproved by the ranking minority member

as provided in this subsection, the subpoena may be authorized by vote of the members of the Committee. When the Committee or chairman authorizes subpoenas, subpoenas may be issued upon the signature of the chairman or any other member of the Committee designated by the chairman.

D. Witness counsel. Counsel retained by any witness and accompanying such witness shall be permitted to be present during the testimony of such witness at any public or executive hearing or deposition to advise such witness while he or she is testifying, of his or her legal rights, *provided, however,* that in the case of any witness who is an officer or employee of the government, or of a corporation or association, the Committee chairman may rule that representation by counsel from the government, corporation, or association or by counsel representing, other witnesses, creates a conflict of interest, and that the witness may only be represented during interrogation by staff or during testimony before the Committee by personal counsel not from the government, corporation, or association or by personal counsel not representing other witnesses. This subsection shall not be construed to excuse a witness from testifying in the event his counsel is ejected for conducting himself in such manner so as to prevent, impede, disrupt, obstruct or interfere with the orderly administration of the hearings; nor shall this subsection be construed as authorizing counsel to coach the witness or answer for the witness. The failure of any witness to secure counsel shall not excuse such witness from complying with a subpoena or deposition notice.

E. Witness transcripts. An accurate electronic or stenographic record shall be kept of the testimony of all witnesses in executive and public hearings. The record of his or her testimony whether in public or executive session shall be made available for inspection by the witness or his or her counsel under Committee supervision; a copy of any testimony given in public session or that part of the testimony given by the witness in executive session and subsequently quoted or made part of the record in a public session shall be provided to any witness at his or her expense if he or she so requests. Upon inspecting his or her transcript, within a time limit set by the chief clerk of the Committee, a witness may request changes in the transcript to correct errors of transcription and grammatical errors; the chairman or a staff officer designated by him shall rule on such requests.

F. Impugned persons. Any person whose name is mentioned or is specifically identified, and who believes that evidence presented, or comment made by a member of the Committee or staff officer, at a public hearing or at a closed hearing concerning which there have been public reports, tends to impugn his or her character or adversely affect his or her reputation may:

(a) File a sworn statement of facts relevant to the evidence or comment, which statement shall be considered for placement in the hearing record by the Committee;

(b) Request the opportunity to appear personally before the Committee to testify in his or her own behalf, which request shall be considered by the Committee; and

(c) Submit questions in writing which he or she requests be used for the cross-examination of other witnesses called by the Committee, which questions shall be considered for use by the Committee.

G. Radio, television, and photography. The Committee, or any Subcommittee thereof, may permit the proceedings of hearings which are open to the public to be photographed and broadcast by radio, television or both, subject to such conditions as the Committee, or Subcommittee, may impose. (Rule XXVI, Sec. 5(c), Standing Rules of the Senate.)

H. Advance statements of witnesses. A witness appearing before the Committee, or any Subcommittee thereof, shall provide 100 copies of a written statement and an executive summary or synopsis of his proposed testimony at least 48 hours prior to his appearance. This requirement may be waived by the chairman and the ranking minority member following their determination that there is good cause for failure of compliance. (Rule XXVI, Sec. 4(b), Standing Rules of the Senate.)

I. Minority witnesses. In any hearings conducted by the Committee, or any Subcommittee thereof, the minority members of the Committee or Subcommittee shall be entitled, upon request to the chairman by a majority of the minority members, to call witnesses of their selection during at least 1 day of such hearings. (Rule XXVI, Sec. 4(d), Standing Rules of the Senate.)

J. Full Committee depositions. Depositions may be taken prior to or after a hearing as provided in this subsection.

(1) Notices for the taking of depositions shall be authorized and issued by the chairman, with the approval of the ranking minority member of the Committee, provided that the chairman may initiate depositions without the approval of the ranking minority member where the chairman or a staff officer designated by him has not received notification from the ranking minority member or a staff officer designated by him of disapproval of the deposition within 72 hours, excluding Saturdays and Sundays, of being notified of the deposition notice. If a deposition notice is disapproved by the ranking minority members as provided in this subsection, the deposition notice may be authorized by a vote of the members of the Committee. Committee deposition notices shall specify a time and place for exmaination, and the name of the Committee member or members or staff officer or officers who will take the deposition. Unless otherwise—specified, the deposition shall be in private. The Committee shall not initiate procedures leading to criminal or civil enforcement proceedings for a witness' failure to appear or produce unless the deposition notice was accompanied by a Committee subpoena.

(2) Witnesses may be accompanied at a deposition by counsel to advise them of their legal rights, subject to the provisions of Rule 5D.

(3) Oaths at depositions may be administered by an individual authorized by local law to administer oaths. Questions shall be propounded orally by Committee member or members or staff. If a witness objects to a question and refuses to testify, the objection shall be noted for the record and the Committee member or members or staff may proceed with the remainder of the deposition.

(4) The Committee shall see that the testimony is transcribed or electronically recorded (which may include audio or audio/video recordings). If it is transcribed, the transcript shall be made available for inspection by the witness or his or her counsel under Committee supervision. The witness shall sign a copy of the transcript and may request changes to it, which shall be handled in accordance with the procedure set forth in subsection (E). If the witness fails to sign a copy, the staff shall note that fact on the transcript. The individual administering the oath shall certify on the transcript that the witness was duly sworn in his presence, the transcriber shall certify that the transcript is a true record of the testimony, and the transcript shall then be filed with the chief clerk of the Committee. The chairman or a staff officer designated by him may stipulate with the witness to changes in the procedure, deviations from this procedure which do not substantially impair the reliability of the record shall not relieve the witness from his or her obligation to testify truthfully.

RULE 6. COMMITTEE REPORTING PROCEDURES

A. Timely filing. When the Committee has ordered a measure or matter reported following final action the report thereon shall be filed in the Senate at the earliest practicable time. (Rule XXVI Sec. 20(b), Standing Rules of the Senate.)

B. Supplemental, minority, and additional views. A member of the Committee who given notice of his intention to file supplemental minority or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than 3 calendar days in which to file such views, in writing, with the chief clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the Committee report may be filed and printed immediately without such views, (Rule XXVI, Sec. 10(c), Standing Rules of the Senate.)

C. Notice by Subcommittee chairmen. The chairman of each Subcommittee shall notify the chairman in writing whenever any measure has been ordered reported by such Subcommittee and is ready for consideration by the full Committee.

D. Draft reports of Subcommittees. All draft reports prepared by Subcommittees of this Committee on any measure or matter referred to it by the chairman, shall be in the form, style, and arrangement required to conform to the applicable provisions of the Standing Rules of the Senate, and shall be in accordance with the established practices followed by the Committee. Upon completion of such draft reports, copies thereof shall be filed with the chief clerk of the Committee at the earliest practicable time.

E. Impact statements in reports. All Committee reports, accompanying a bill or joint resolution of a public character reported by the Committee, shall contain (1) an estimate, made by the Committee, of the costs which would be incurred in carrying out the legislation for the then current fiscal year and for each of the next 5 years thereafter (or for the authorized duration of the proposed legislation, if less than 5 years); and (2) a comparison of such cost estimates with any made by a Federal agency; or (3) in lieu of such estimate or comparison, or both, a statement of the reasons for failure by the Committee to comply with these requirements as impracticable, in the event of inability to comply therewith. (Rule XXVI, Sec. 11(a), Standing Rules of the Senate.)

Each such report shall also contain an evaluation, made by the Committee, of the regulatory impact which would be incurred in carrying out the bill or joint resolution. The evaluation shall include (a) an estimate of the numbers of individuals and businesses who would be regulated and a determination of the groups and classes of such individuals and businesses, (b) a determination of the economic impact of such regulation on the

individuals, consumers, and businesses affected, (c) a determination of the impact on the personal privacy of the individuals affected, and (d) a determination of the amount of paperwork that will result from the regulations to be promulgated pursuant to the bill or joint resolution, which determination may include, but need not be limited to, estimates of the amount of time and financial costs required of affected parties, showing whether the effects of the bill or joint resolution could be substantial, as well as reasonable estimates of the recordkeeping requirements that may be associated with the bill or joint resolution. Or, in lieu of the forgoing evaluation, the report shall include a statement of the reasons for failure by the Committee to comply with these requirements as impracticable, in the event of inability to comply therewith. (Rule XXVI, Sec. 11(b), Standing Rules of the Senate.)

RULE 7. SUBCOMMITTEES AND SUBCOMMITTEE PROCEDURES

A. Regularly established Subcommittees. The Committee shall have three regularly established Subcommittees. The Subcommittees are as follows:

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

OVERSIGHT OF GOVERNMENT MANAGEMENT, RESTRUCTURING AND THE DISTRICT OF COLUMBIA

INTERNATIONAL SECURITY, PROLIFERATION AND FEDERAL SERVICES

B. Ad hoc Subcommittees. Following consultation with the ranking minority member, the chairman shall, from time to time, establish such ad hoc Subcommittees as he deems necessary to expedite Committee business.

C. Subcommittee membership. Following consultation with the majority members, and the ranking minority member of the Committee, the chairman shall announce selections for membership on the Subcommittees referred to in paragraphs A and B, above.

D. Subcommittee meetings and hearings. Each Subcommittee of this Committee is authorized to establish meeting dates and adopt rules not inconsistent with the rules of the Committee except as provided in Rules 2(D) and 7(E).

E. Subcommittee subpoenas. Each Subcommittee is authorized to adopt rules concerning subpoenas which need not be consistent with the rules of the Committee; *provided, however,* that in the event the Subcommittee authorizes the issuance of a subpoena pursuant to its own rules, a written notice of intent to issue the subpoena shall be provided to the chairman and ranking minority member of the Committee, or staff officers designated by them, by the Subcommittee chairman or a staff officer designated by him immediately upon such authorization, and no subpoena shall be issued for at least 48 hours, excluding Saturdays and Sundays, from delivery to the appropriate offices, unless the chairman and ranking minority member waive the 48 hour waiting period or unless the Subcommittee chairman certifies in writing to the chairman and ranking minority member that, in his opinion, it is necessary to issue a subpoena immediately.

F. Subcommittee budgets. Each Subcommittee of this Committee, which requires authorization for the expenditure of funds for the conduct of inquiries and investigations, shall file with the chief clerk of the Committee, not later than January 10 of the first year of each new Congress, its request for funds for the two (2) 12-month periods beginning on March 1 and extending through and including the last day of February of the 2 following years, which years comprise that Congress. Each such request shall be submitted on the budget form prescribed by the Committee on Rules and Administration, and shall be accompanied by a written justification addressed to the chairman of the Committee, which shall include (1) a statement of the Subcommittee's area of activities, (2) its accomplishments during the preceding Congress detailed year by year, and (3) a table showing a comparison between (a) the funds authorized for expenditure during the preceding Congress detailed year by year, (b) the funds actually expended during that Congress detailed year by year, (c) the amount requested for each year of the Congress, and (d) the number of professional and clerical staff members and consultants employed by the Subcommittee during the preceding Congress detailed year by year and the number of such personnel requested for each year of the Congress. The chairman may request additional reports from the Subcommittees regarding their activities and budgets at any time during a Congress. (Rule XXVI, Sec. 9, Standing Rules of the Senate.)

RULE 8. CONFIRMATION STANDARDS AND PROCEDURES

A. Standards. In considering a nomination, the Committee shall inquire into the nominee's experience, qualifications, suitability, and integrity to serve in the position to which he or she has been nominated. The Committee shall recommend confirmation, upon finding that the nominee has the necessary integrity and is affirmatively qualified by reason of training, education, or experience to carry out the functions of the office to which the or she was nominated.

B. Information Concerning the Nominee. Each nominee shall submit the following information to the Committee:

(1) A detailed biographical resume which contains information relating to education, employment and achievements;

(2) Financial information, including a financial statement which lists assets and liabilities of the nominee and tax returns for the 3 years preceding the time of his or her nomination, and copies of other relevant documents requested by the Committee, such as a proposed blind trust agreement, necessary for the Committee's consideration; and,

(3) Copies of other relevant documents the Committee may request, such as responses to questions concerning the policies and programs the nominee intends to pursue upon taking office.

At the request of the chairman or the ranking minority member, a nominee shall be required to submit a certified financial statement compiled by an independent auditor.

Information received pursuant to this subsection shall be made available for public inspection; *provided, however,* that tax returns shall, after review by persons designated in subsection (C) of this rule, be placed under seal to ensure confidentiality.

C. Procedures for Committee inquiry. The Committee shall conduct an inquiry into the experience, qualifications, suitability, and integrity of nominees, and shall give particular attention to the following matters:

(1) A review of the biographical information provided by the nominee, including, but not limited to, any professional activities related to the duties of the office to which he or she is nominated;

(2) A review of the financial information provided by the nominee, including tax returns for the 3 years preceding the time of his or her nomination;

(3) A review of any actions, taken or proposed by the nominee, to remedy conflicts of interest; and

(4) A review of any personal or legal matter which may bear upon the nominee's qualifications for the office to which he or she is nominated.

For the purpose of assisting the Committee in the conduct of this inquiry, a majority investigator or investigators shall be designated by the chairman and a minority investigator or investigators shall be designated by the ranking minority member. The chairman, ranking minority member, other members of the Committee and designated investigators shall have access to all investigative reports on nominees prepared by any Federal agency, except that only the chairman, the ranking minority member, or other members of the Committee, upon request, shall have access to the report of the Federal Bureau of Investigation. The Committee may request the assistance of the General Accounting Office and any other such expert opinion as may be necessary in conducting its review of information provided by nominees.

D. Report on the Nominee. After a review of all information pertinent to the nomination, a confidential report on the nominee shall be made by the designated investigators to the chairman and the ranking minority member and, upon request, to any other member of the Committee. The report shall summarize the steps taken by the Committee during its investigation of the nominee and identify any unresolved or questionable matters that have been raised during the course of the inquiry.

E. Hearings. The Committee shall conduct a public hearing during which the nominee shall be called to testify under oath on all matters relating to his or her suitability for office, including the policies and programs which he or she will pursue while in that position. No hearing shall be held until at least 72 hours after the following events have occurred: The nominee has responded to prehearing questions submitted by the Committee; and the report required by subsection (D) has been made to the chairman and ranking minority member, and is available to other members of the Committee, upon request.

F. Action on confirmation. A mark-up on a nomination shall not occur on the same day that the hearing on the nominee is held. In order to assist the Committee in reaching a recommendation on confirmation, the staff may make an oral presentation to the Committee at the mark-up, factually summarizing the nominee's background and the steps taken during the pre-hearing inquiry.

G. Application. The procedures contained in subsections (C), (D), (E), and (F) of this rule shall apply to persons nominated by the President to positions requiring their full-time service. At the discretion of the chairman and ranking minority member, those procedures may apply to persons nominated by the President to serve on a part-time basis.

RULE 9. PERSONNEL ACTIONS AFFECTING COMMITTEE STAFF

In accordance with Rule XLII of the Standing Rules of the Senate and the Congressional Accountability Act of 1995 (P.L. 104–1), all personnel actions affecting the staff of the Committee shall be made free from any discrimination based on race, color, religion,

sex, national origin, age, state of physical handicap, or disability.

INTERNATIONAL WOMEN'S DAY

Mr. FEINGOLD. Mr. President, today I'd like to commemorate International Women's Day. This day is an occasion to honor the many and diverse achievements and contributions of women worldwide, and the progress that they have made toward equal rights. It is also an important time to reflect upon the hardships and injustices that millions of women still face, and to reaffirm our commitment to take actions to overcome them and to further women's progress.

For nearly a century, women in communities across the globe have been uniting on March 8th to celebrate their achievements and to bring attention to their fight for equality, justice and peace. In that time women have made great strides toward equal participation in all spheres of life, and at all levels of decision-making.

Here in the United States, more women are earning college degrees, entering the workforce and starting their own businesses than ever before. Economic opportunities for women are expanding and home ownership is up. Women are playing a greater role in shaping local, state and federal policies that affect their families and them, as they are more active in the political process at all levels. The recent 2000 elections resulted once again in a record number of women serving in the U.S. Senate, House of Representatives and as Governors of States. We continue to see more women in top positions of federal agencies and in President's Cabinets. For the first time in American History, we have a woman, Condoleezza Rice, serving as our National Security Advisor to the President.

Despite these impressive strides, much work still needs to be done. Women are still vastly under-represented at all levels of government. Although the gender wage-gap has narrowed since 1963, when Congress mandated equal pay for equal work, unfair wage disparities continue to be a problem. Wage discrimination is costing families thousands of dollars each year. These financial losses, coupled with a lack of affordable quality child care, forces many women to still have to make difficult choices about their children and their career.

Just this week, women lost an important battle when the U.S. Senate voted to overturn the Occupational Health and Safety Administration's final ergonomics standard. This standard would have helped protect the 1.8 million Americans workers who suffer workplace injuries caused by repetitive motions. These injuries are particularly prevalent among women because many of the jobs held predominately by women require repetitive motions or repetitive heavy lifting. So we must recognize that there is still much work to be done in the area of equal rights for women.

Today we must also consider the achievements and challenges of women abroad. As Ranking Member of the African Affairs Subcommittee of the Senate Committee on Foreign Relations, I have had the opportunity to learn more about the status of women on that continent. Last month, as I traveled to the West African countries of Nigeria, Sierra Leone, and Senegal, I was reminded of the tremendously important role that women play in the political, economic, and social fabric of that region and so many others. I met Nigerian women who have been prodding officials to face the HIV/AIDS crisis head-on; women working to build peace in Sierra Leone, and women devoted to improving girls' education in Senegal. I am pleased to celebrate their achievements and contributions today.

However, millions of women in Africa and throughout the world face a great uphill battle before they will achieve full equality. Women are still more likely than men to be poor, malnourished and illiterate, and have less access to health care, financial credit, property ownership, job training and employment. In some places women are still denied the very basic right to vote, to let their voices be heard.

Many girls and women around the world face tragic human rights abuses daily, as victims of domestic violence, and exploitive practices such as illegal trafficking for slavery or prostitution. In some countries, deplorable ''honor killings'' are still prevalent, where women are murdered by their male relatives for actions—perceived or real—that are thought to bring dishonor on their families. In regions of conflict, rape and assaults on women are used as weapons of war, and perpetrators are rarely prosecuted.

For years, mass rape and sexual crimes have been considered normal occurrences of war, and only recently have these heinous crimes started to get the international attention that they deserve. An important victory for girls and women occurred last month when the United Nations International Criminal Tribunal for the former Yugoslavia in the Hague, convicted three men for rape, torture and enslavement during the war in Bosnia. The international court set an important precedent by defining rape as a crime against humanity.

There are many important ways that we can further protect women's human rights and improve the status of women and their families both domestically and internationally. One of the ways that the United States Senate can work towards that end is by acting upon the United Nations Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW. Two decades have passed since the U.S. signed this important treaty, and yet it remains pending before the Senate Foreign Relations Committee. I once again call upon the committee to hold hearings on CEDAW so that the Senate can offer its advice and consent on this treaty.

The U.S. can also support efforts to ensure that it is devoting significant resources to battling HIV/AIDS which is killing millions of women and their families, in Africa and other regions of the world. Congress can pass legislation such as the Paycheck Fairness Act to provide more effective remedies to victims of salary discrimination on the basis of gender. These are only a few of many initiatives that will impact women's lives.

So, in closing as we mark International Women's Day, today and in the future, it is important for us to remember both the accomplishments of women and the many injustices that remain, and for the United States and the international community to reaffirm their commitment to promoting gender equity and human rights across the globe.

Mrs. FEINSTEIN. Mr. President, today is an important day for women and girls around the world. Today, we stand firmly on the side of basic human rights. Today, we rededicate ourselves to a better tomorrow. Today, we state loud and clear to those who seek to do women harm, ''No more.'' Today is March 8, 2001, International Women's Day.

Having spent many years trying to raise awareness about the need for equality for women and girls in the United States and around the world, I am encouraged by the advancements we have made since the United Nations first designated March 8th as International Women's Day in 1975. Nevertheless, we still have a long ways to go and I would like to take this time to discuss several critical issues that I believe are vital to the lives of women and girls and require U.S. leadership: international family planning, the Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW, sex trafficking, rape as an instrument of war, and the plight of women in Afghanistan.

Every Senator, I believe, is well aware of the issue of United States assistance to international family planning organizations. There have been few issues in recent years that have been more debated, with people of good intentions on both sides of the issue. Consequently, I was dismayed when President Bush opted to start his administration by reinstating the ''global gag rule'' restricting United States assistance to international family planning organizations.

Do we not understand the importance of family planning assistance? There

are now more than 6 billion people on this Earth. The United Nations estimates this figure could be 12 billion by the year 2050. Almost all of this growth will occur in the places least able to bear up under the pressures of massive population increases. The brunt will be in developing countries lacking the resources needed to provide basic health or education services.

Only if women have access to such educational and medical resources needed to control their reproductive destinies and their health will they be able to better their own lives and the lives of their families

No one should doubt that international family planning programs reduce poverty, improve health, and raise living standards around the world; they enhance the ability of couples and individuals to determine the number and spacing of their children.

Nevertheless, in recent years these programs have come under increasing partisan attack by the anti-choice wing of the Republican party, despite the fact that no U.S. international family planning funds are spent on international abortion.

All American women, as they consider their own reproductive rights, should consider the aim and intent of a policy in which the reproductive rights of American women are approached one way, and those of women in the developing world another.

Since President Bush is unlikely to change his mind, I urge my colleagues to support the Global Democracy Act of 2001, introduced by my friend and colleague from California, Senator Boxer. This important piece of legislation will allow foreign Non-Governmental Organizations that receive U.S. family planning assistance to use non-U.S. funds to provide legal abortion services, including counseling and referrals, and will lift the restrictions on lobbying and advocacy.

The United States must reclaim its leadership role on international family planning and reproductive issues. The United States must renew its commitment to help those around the world who need and want our help and assistance. On International Women's Day, I urge my colleagues to support the Global Democracy Act of 2001.

Last year, I was proud to join a bipartisan group of women Senators in co-sponsoring Senate Resolution 237, a resolution expressing the sense of the Senate that the Senate Foreign Relations Committee should hold hearings on the Convention on the Elimination of all Forms of Discrimination Against Women and the full Senate should act on the Convention by March 9, 2000.

That day came and went and here we are a year later, still waiting for the Senate to act.

In fact, women have been waiting for over 20 years for the Senate to ratify the convention on discrimination against women. The United States actively participated in drafting the convention and President Carter signed it on July 17th, 1980.

In 1994, the Foreign Relations Committee recommended by bipartisan vote that the convention be approved with qualifications, but acted too late in the session for the Convention to be considered by the full Senate.

Given the length of the delay and the level of scrutiny, one might expect the convention on discrimination against women to be a technically demanding international agreement. Nothing could be further from the truth.

In fact, the convention is simple. It requires states to take all appropriate steps to eliminate discrimination against women in political and public life, law, education, employment, health care, commercial transactions, and domestic relations.

One hundred and sixty-one countries have ratified the convention. Of the world's democracies, only the United States has yet to ratify this fundamental document. Indeed, even countries we regularly censure for human rights abuses China—the People's Republic of Laos, Iraq—have either signed or agreed in principle.

In our failure to ratify the convention on discrimination against women, we now keep company with a select few: Iran, North Korea, Sudan, and Afghanistan among them. Remember, as the old saying goes, we are judged by the company we keep. Is this how we want to be known when it comes to defending the human rights of those unable to defend themselves?

In failing to ratify this convention on discrimination against women, we risk losing our moral right to lead in the human rights revolution. By ratifying the convention, we will demonstrate our commitment to promoting equality and to protecting women's rights throughout the world. By ratifying the convention, we will send a strong message to the international community that the U.S. understands the problems posed by discrimination against women, and we will not abide by it. By ratifying the convention, we reestablish our credentials as a leader on human rights and women's rights.

Today, as we commemorate International Women's Day, I call on my colleagues in the Senate to move forward and ratify Convention on discrimination against women.

The coerced trafficking of women and girls for sexual exploitation is an ugly, disturbing, and, unfortunately, growing practice that demands our attention.

Over 1 million people are trafficked each year around the world, with 50,000 going to the United States. Trafficking generates billions of dollars a year and now constitutes the third largest source of profits for organized crime, behind only drugs and guns.

These criminal groups prey upon women from poor countries who suffer from poverty, war, and hopelessness and desperately want a chance at a better life. They are enticed by promises of good paying jobs in richer countries as models, au pairs, dancers, and domestic workers.

Once the women fall victim to the these gangs they are forced into labor, have their passports seized, and are subjected to beatings, rapes, starvation, forced drug use, and confinement.

These victims have little or no legal protection. They travel on falsified documents or enter by means of inappropriate visas provided by traffickers. When and if discovered by the police, these women are usually treated as illegal aliens and deported. Even worse, laws against traffickers who engage in forced prostitution, rape, kidnaping, and assault and battery are rarely enforced. The women will not testify against traffickers out of fear of retribution, the threat of deportation, and humiliation for their actions.

I am shocked and appalled that this horrible and degrading practice continues. The United States must act as a leader to rally the international community to put a stop to the trafficking of women and girls. I am proud that the 106th Congress passed, and President Clinton signed into law, the Victims of Trafficking and Violence Protection Act of 2000. Among other things, the bill: directs the Secretary of State to provide an annual report to Congress listing countries that do and do not comply with minimum standards for the elimination of trafficking; establishes an Interagency Task Force to Monitor and Combat Trafficking; provides assistance to foreign countries for programs and activities to meet the minimum international standards for the elimination of trafficking; withholds U.S. non-humanitarian assistance to countries that do not meet minimum standards against trafficking and are not making efforts to meet minimum standards, unless continued assistance is deemed to be in the U.S. national interest; and increases penalties for those engaged in sex trafficking.

In addition, the fiscal year 2001 Foreign Operations Appropriations Act earmarked at least $1.35 million for the Protection Project to study international trafficking, prostitution, slavery, debt bondage, and other abuses of women and children.

These are significant steps, but much work needs to be done. We must enforce the laws we have passed and we must consider new laws to protect victims and bring traffickers to justice. On International Women's Day, I urge my colleagues to continue the fight against the sexual trafficking of women and girls.

Rape as an instrument of war is an issue which, in recent years, has been of increasing concern to me.

Rape is no longer an isolated by-product of war; it is increasingly a tool to advance war aims. In recent years in Bosnia, Rwanda, and East Timor soldiers and militiamen used rape on a organized, systematic, and sustained basis to further their goal of ethnic cleansing. In some cases, women were kidnaped, interned in camps and houses, forced to do labor, and subjected to frequent rape and sexual assault.

I was pleased that the United Nations, in setting up the war crime tribunals for the Balkans and Rwanda, recognized rape as a war crime and a crime against humanity.

Nevertheless, I was very disappointed by the repeated failure of the international community, especially in the former Yugoslavia, to see that those who were indicted for perpetrating these crimes were brought to justice. It appeared that the major step forward taken by the creation of the tribunals would be nullified by inaction.

Finally, on February 22, 2001, the international tribunal in The Hague sentenced three Bosnian Serbs to prison for rape during the Bosnian war. I was very pleased the court took this step. Clearly, there is still much work to be done. Estimates are that up to 20,000 women in Yugoslavia were systematically raped as part of a policy of ethnic cleansing and genocide. Many perpetrators still remain at large.

Nevertheless, the court has stated loud and clear that those who use rape as an instrument of war will no longer be able to escape justice. They will be arrested, tried, and convicted. As Judge Florence Mumba of Zambia stated, ''Lawless opportunists should expect no mercy, no matter how low their position in the chain of command may be.''

I commend the victims who courageously came forward to confront their attackers and offer testimony that helped lead to the convictions. The international community, and women in particular, owe them a debt of gratitude.

On International Women's Day, I urge the Administration and the international community to join me in continuing the fight to end the practice of rape as an instrument of war, and to pursue justice for its victims.

Perhaps nowhere in the world today is there a clearer test of our commitment of the cause of women's rights than Afghanistan.

To put it simply, I am shocked and dismayed at the treatment of women in Afghanistan by the Taliban. Afghan women have been banned from work and school and are largely confined in their homes behind darkened windows. They are required to wear full-length veils, or burka, when in public and must be accompanied by a male member of the family. In addition, access to medical services has been dramatically reduced. Widows are not allowed to work and must beg to subsist.

The women of Afghanistan, who have seen their families destroyed by war, are now having their economic life and their fundamental human rights stripped away, and the violations of Afghan women's basic human rights have pushed an already war-torn and war-weary Afghanistan to the brink of disaster.

The suffering of Afghan women and girls must not be ignored by the United States and the international community. I am working on legislation with Senator BOXER to address their plight and put pressure on the Taliban to respect basic human rights.

On International Women's Day, the United States, with our history of commitment to women's rights and equality, must redouble its efforts to place respect for women's rights at the top of the international community's agenda regarding Afghanistan.

We must debate and ratify the Convention on the Elimination of All Forms of Discrimination Against Women. We must rededicate ourselves and our resources to international family planning programs. We must enforce tough anti-trafficking legislation. We must not ignore the gross violations of the human rights of Afghan women.

We cannot afford to remain silent. We cannot afford to place women's rights on a second tier of concern of U.S. foreign policy. On International Women's Day, the United States and the international community must take a strong stand and issue a clear warning to those who attempt to rob women of basic rights that the world's governments will no longer ignore these abuses, or allow them to continue without repercussion.

PRAYER AT THE HOUSE THE SENATE BUILT PROGRAM

Mr. BROWNBACK. Mr. President, this morning, Members of the U.S. Senate came together to kick off the House the Senate Built Program with Habitat for Humanity International. Today's event partnered Members of the Senate with HUD Secretary Mel Martinez, Habitat founder Millard Fuller, and a host of building partners to begin work with the Spencer and Williams families on their new homes in Capitol Heights, MD.

Before the event began, Ms. Helena Spencer, mother of one of the two families who will be moving into the homes upon completion, shared with us her frustrations of living in substandard housing and her plea to God to help her find a new home for her family. Her message to us was that Habitat for Humanity was an answer to prayer. I want to share her prayer with you today, because I feel it reflects well on the work of Habitat for Humanity.

Ms. Spencer prayed:

> Lord, my future looks so uncertain. It seems as if everything dear to me has been shaken or removed. He answered me, and said in His word, I will remove what can be shaken so that those things which ''cannot be shaken may remain'' (Hebrews 12:27). My life has to be built upon an unshakeable foundation. He says I'm removing from you all insecure foundation to force you to rest on the foundation of me alone. A spiritual house, in order to stand, must not be built on a flimsy foundation. Your false resting place is being shaken so that you will rely wholly on me.

With these words, Helena Spencer spoke volumes about how great a blessing Habitat for Humanity is to so many people in need. These words inspired us this morning as we worked side by side building the houses that the Spencer and Williams families will call home. These words have motivated us to see through the House the Senate Built Program to its stated end; at least one new Habitat home built by Members of the U.S. Senate in each of our home States.

I am thankful for the work of Habitat for Humanity in this country and am encouraged by the faith and hope displayed today by Ms. Helena Spencer.

RECENT SCHOOL SHOOTINGS

Mr. LEVIN. Mr. President, earlier this week, the community of Santee, CA was struck by a horrible tragedy when a student opened fire on his classmates at Santana High School. Two people were killed and 13 others were wounded in the worst episode of school violence since the mass shooting in Littleton, CO almost 2 years ago. Although students returned to school yesterday, the grief over losing two of their classmates and the memories of what occurred will stay with them forever. My thoughts and prayers are with the victims, their families and the people of Santee, CA as they attempt to cope with this tragedy.

In an interview on Monday night, Dr. Michael Sise, the Medical Director for Trauma at Mercy Hospital, where three of the victims were treated, offered his perspective on shooting. He said, ''We wouldn't be here tonight talking to you if this kid, this troubled kid, hadn't had access to a firearm. I think we have to start asking the tough questions about firearms, what they mean. Firearms turn shouting matches into shooting matches, if those two kids in Columbine had not had access to firearms they would be two weird kids still wandering around campus, instead of dead along with a lot of dead classmates. So, for us in trauma we want to get out in the community and ask our fellow members of the community the tough questions. How do we prevent this from happening again?''

The question raised by Dr. Sise is the same question that is being asked by people in Santee, CA and all over the

country. After each of these shootings, we ask ourselves how we can prevent other such tragedies from happening in the future. One way to prevent this level of violence from occurring again is to make it harder for young people to gain access to firearms. By keeping guns out of the hands of children, we can help ensure that this type of deadly violence is not part of another child's school day.

Since the tragedy at Santana High School just a few days ago, our Nation has experienced other acts of school violence. On Tuesday, not far from the Capitol, a 14-year-old allegedly shot another teenager at a Prince George's County high school. Yesterday, it was reported that an eighth-grader in Williamsport, PA shot and wounded one of her classmates, and a high school junior in Seattle, WA threatened his class with a handgun. The shooting at Santana High School was not an isolated incident and these other acts of violence should not be written off as ''copycat'' incidents. These acts of violence will continue to plague our Nation until we limit the access that young people have to guns.

TRIBUTE TO MRS. MATINA SARBANES

Ms. MIKULSKI. Mr. President, I rise to pay tribute to the life and legacy of Mrs. Matina Sarbanes, the mother of our dear colleague, Senator PAUL SARBANES.

Mrs. Sarbanes personified the American dream. She came to this county from Greece in 1930 to build a better life. She and her husband, the late Spyros Sarbanes, settled in Salisbury on the Eastern Shore of Maryland. Mrs. Sarbanes used America's unique opportunity structure to build a business and a better life for their children. She and her husband opened the Mayflower Grill, a restaurant known for its good food and warm atmosphere. While the restaurant eventually closed in 1960, 3 years after the death of Mr. Sarbanes, people still share stories about their meals and conversations with the Sarbanes family at the Mayflower Grill.

The restaurant was truly a family-owned and operated business. The children grew up waiting tables and washing dishes, developing a strong work ethic and value of service. Although important, Mrs. Sarbanes knew that hard work was not enough to ensure a better life in America for her children. Having never finished school herself, Mrs. Sarbanes taught her children the value of a good education. She knew that in America, as in few other places in the world, children of immigrants could go anywhere that hard work and education would take them.

She instilled in her children the values they needed to succeed: faith, family and patriotism. Her children put these values into action. Her oldest son attended one of the country's top colleges, became a Rhodes Scholar, and serves in one of our Nation's highest elected offices. Her son Anthony had a long distinguished career in education and in the military. Her daughter Zoe was a community leader and business woman in New Jersey.

Mrs. Sarbanes was a patriotic woman with a deep love for this country and for her Eastern Shore community. She was appreciative of America and all the opportunities it afforded her. And while she reaped the benefits of her life in America, she also knew the importance of giving back to her community. Mrs. Sarbanes passed this patriotism and love for her community on to her children. To learn all she could about the United States, it was not unusual for CNN to be on her television or for politics to be the topic of conversation at the Sarbanes' home.

While Mrs. Sarbanes was proud to be an American citizen, she never forgot her Greek heritage. She was active in the Greek community in Delmarva and helped found the St. George Greek Orthodox Church in Ocean City, which continues to thrive. While America provided her with opportunity, Greece provided her with a unique perspective on life and appreciation for all she and her family had accomplished. Mrs. Sarbanes lived to see each of her children and grandchildren finish college and grow up to be success stories in their own right.

We know how proud Mrs. Sarbanes was of her family, and she must know how proud her family was of her. She lived a wonderful life in America and touched many people including her church community, her Greek community, her patrons from the restaurant, and her countless friends. She will be greatly missed by all who knew and loved her. Her family and many friends are in my thoughts and prayers.

I ask unanimous consent that an editorial on Mrs. Sarbanes from the Daily Times in Salisbury be printed in the RECORD.

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

[From the Salisbury Daily Times, Feb. 24, 2001]

THE DREAM EPITOMIZED

Matina Sarbanes epitomized the American success story. Through fortitude and hard work, she was able to live out the American dream. Born in the village of Elika in southern Greece, Sarbanes was attracted to the United States and its promise of opportunity. She joined family in New Jersey in 1930 and married Spyros Sarbanes in 1932.

The couple moved to Salisbury soon after and opened the famous Mayflower Grill on Main Street. While forging a life here, the Sarbanes family set an example for all to follow. They raised three solid children—two boys and a girl. They were an immigrant family who knew the meaning of hard work. In their children they instilled the value of service and a work ethic that was obvious to all. The Sarbanes children grew up waiting tables, washing dishes and mopping floors in the restaurant. Through the family business, they learned the value of education and developed an understanding of people.

At the center of all this effort and educating was Matina Sarbanes. She was a strong believer in education, though she never finished school. Her eldest son, Paul, is perhaps Salisbury's most distinguished native. He graduated from Wicomico High School and went on to be a Rhodes Scholar and graduated from Princeton University. Today he sits as a member of the U.S. Senate—a seat he has held with quiet distinction since 1976. Her son Anthony has remained in Salisbury, where he is a valuable community leader; daughter Zoe has found success in New Jersey.

Spyros Sarbanes, 16 years older than his wife, died in 1957. Mrs. Sarbanes continued on her own for three years, but shut down the Mayflower Grill in 1960. When Mrs. Sarbanes died Wednesday at age 92, a little bit of the old Salisbury passed with her. But her spirit, just like the spirit of others in her time who overcame real obstacles to make a life and build a family in this country, only grows stronger when we pause to reflect.

FEMA'S PROJECT IMPACT II

Mr. AKAKA. Mr. President, I would like to again address the Federal Emergency Management Agency, FEMA, Project Impact Program. The President's fiscal year 2002 budget proposal stated that the Project Impact disaster preparedness campaign ''has not proven effective.'' I am looking into the issue of effectiveness.

A White House spokesperson, recently citing a FEMA Inspector General report, said that 64 percent of the money awarded by Project Impact had not been spent by communities 2 years after receiving it. This statement is a bit misleading. True, nearly 2 years after they were designated as Project Impact partners, seven pilot communities had not spent 64 percent of their grant funds. But the report also goes into detail as to why this was the situation. In many cases, while FEMA funds came quickly, communities needed additional time to mobilize and begin their mitigation programs. These communities were not fully prepared, administratively or programmatically, to accept the grants. Some communities had identified and scheduled multiple mitigation projects, only to realize later that they did not have the staff or resources to carry out more than one project at a time.

While FEMA agreed that communities should spend their grants in a more timely manner, FEMA was concerned about taking steps that would undermine the planning process at local levels by placing more focus on expenditures, or infringe upon local budget cycles and negate community efforts to obtain additional funding. In response to these concerns, FEMA now requires communities to align Project Impact funding with local projects initiated within 18 months of funding. The Inspector General concurred with FEMA's action.

To deal with management issues, the Inspector General recommended that FEMA provide technical assistance to new communities on federal grant management. In response, FEMA has expanded opportunities for technical assistance through availability of regional staff, the Project Impact ''How-To-Get-Started'' course, and FEMA's Web site. The Inspector General also recommended improved accounting and reporting by the communities and FEMA to keep records current and accessible. FEMA agreed, implemented new procedures, and the Inspector General was satisfied with their response. Here is a successful example of the Federal Government returning money and power to local governments.

The IG report recognizes the significant amount of effort already performed by communities and the active involvement with communities that FEMA spends before mitigation projects are accepted and approved. It also recognizes that attitudinal and behavioral changes are occurring in communities through collaboration and increasing public awareness and education about disaster mitigation efforts. It states that while the benefits derived from such efforts can not be quantified, they are very important to a community that hopes to sustain disaster preparedness measures, long after the initial seed money is gone.

Perhaps these very important, but inherently unquantifiable activities are what the President's spokesman is referring to when he suggests programs such as ''scout camps, training Boy Scouts in Delaware, sponsoring a safety fair and those kinds of things'' were not worthwhile and demonstrated that the program was ineffective?

Which scout activities should not have been sponsored? The community service project in Pascagoula, MI in which local Boy Scouts were instrumental in developing a database of all commercial and residential structures in the 100-year floodplain? Or the Boy Scouts in Eden, NY who helped clean up debris in creeks that are prone to flooding as part of the community flood mitigation plan? Or the Ouachita Parish, LA Girl Scouts who sponsored a disaster safety fair. Perhaps the Boy Scouts in Culebra, PR, who performed an intensive door-to-door mitigation-oriented public awareness campaign, did not deserve training?

The last recommendation in the report was for FEMA to realign resources to better manage the growing number of Project Impact communities. FEMA responded by creating a new position in each region to augment Project Impact staffing needs to deal with the growing number of Project Impact communities and business partners due to the program's popularity and success.

Project Impact is not perfect. Certainly there are areas that could be improved and ways in which it could be made more efficient. FEMA's Inspector General identified several such areas. Through communication and cooperation, FEMA is addressing these issues. In no part of the report does the Inspector General suggest that the program be canceled. On the contrary, many of its recommendations are to help FEMA deal with how the program is growing so that it can continue its successes and improve upon its accomplishments.

The 50th State is vulnerable to a host of natural disasters, and Hawaii's state and local officials know that disaster mitigation is the best way to lessen the impact of catastrophic damage and loss of life. I was interested that when asked about the proposed elimination of Project Impact, the Honorable Harry Kim, mayor of the County of Hawaii and formerly the county's director of civil defense for 24 years, said, ''If it were not for mitigation efforts, we would never stay ahead of the game. I hope those in authority will talk to local officials because I would be surprised if anyone would support eliminating Project Impact. The growing pains of any project should not be the cause of cancellation.'' I agree with Mayor Kim. I urge the President to take another look at Project Impact, which is the only federal program that requires heavy community involvement to meet FEMA's goal of reducing the loss of life and property by protecting the nation from all types of hazards.

ADDITIONAL STATEMENTS

ARLINGTON COUNTY, VIRGINIA BICENTENNIAL

• Mr. WARNER. Mr. President, the Year 2001 marks Arlington County's 200th anniversary as a separate and distinct county.

On March 4, 1801, the District of Columbia was organized on land Virginia and Maryland had ceded to provide territory for the new capital. Virginia ceded part of what was then Fairfax County as its contribution to the new Federal City. This area was named Alexandria County and at the time included the Town of Alexandria as well as what is now Arlington County. Alexandria County was later returned to Virginia by the Federal government. In 1870, the Town of Alexandria became an independent city, separating from Alexandria County. In 1920, in order to avoid confusion between the county and the city of Alexandria, the name of the county was changed to Arlington, after the Curtis-Lee Mansion located in the county.

Arlington's past laid a solid foundation for the community many of us know today, a place rich in historic value, cultural diversity and economic vitality. The Arlington County Bicentennial Task Force has been formed to coordinate commemorative activities throughout 2001. I ask my colleagues to join me in honoring this wonderful community located just across the Potomac River from Washington, D.C.•

MEMORIAL TRIBUTE TO DR. CLAUDE SHANNON

• Mr. ROCKEFELLER. Mr. President, I rise today in memory of Dr. Claude Shannon, a pioneer in the field of modern communications technology. His work provided a major part of the theoretical foundation leading to applications as diverse as digital cell phones, deep space communications and the compact disc.

Dr. Shannon died on February 24 after suffering from Alzheimer's disease. He was not widely known by the general public, but he should have been. His work predated the establishment of the World Wide Web, but in 1948 he published a seminal paper entitled ''A Mathematical Theory of Communication.'' This paper was the first to provide a mathematical model of the communication process. He was able to define ''information'' in a way that was unrelated to its semantic meaning by explaining the power of encoding information in a simple language of 1's and 0's. Communication then became the process of transferring information from a ''source'', modified by an ''encoder'', through a ''channel'', to a ''decoder'' at the output of a channel. This theory underlies the modern communications revolution.

Dr. Shannon's work showed that every kind of information source—text, images, video, data—has associated with it a quantifiable information content that mandates how efficiently it can be represented, the basis for ''data compression.'' For instance, he showed that, no matter how clever you are, you can't represent English text with less than about 1.5 bits per letter. Dr. Shannon also established fundamental limits to how efficiently one can transmit information over imperfect communication channels; his work on reliable transmission formed the theoretical basis for the modems, satellite links and computer memories that are pervasive today. These aspects of Shannon's work became the foundation of what we now call ''Information Theory.''

As important as Dr. Shannon's 1948 masterwork was, it was not his sole contribution to the emerging information age. As a graduate student at MIT, Shannon made a profound and fundamental contribution to the field of computer design when he showed that a then-obscure branch of mathematics called ''Boolean algebra,'' the algebra of 1's and 0's, could be used to design circuits for computation and switching. The result was what some have called ''the most influential master's

thesis in history.'' Shannon's work on cryptography during World War II also formed the modern theoretical framework for secure communication systems.

The Washington Post pointed out in Dr. Shannon's obituary that his achievements are at the core of the technology that delivers the Internet and its various applications, from music to video to e-mail. His work has had applications in fields as diverse as computer science, genetic engineering and neuroanatomy. Some have called his 1948 paper ''the Magna Carta of the information age.''

Dr. Shannon was also renowned by his friends and colleagues for his eclectic interests and capabilities. He rode down the halls of Bell Labs on a unicycle while juggling; he invented a rocket-powered Frisbee; and he developed ''THROBAC-I,'' a computer that computed in Roman numerals.

There are only a few authentic geniuses in this world. Dr. Shannon was one and today we remember him for his accomplishments.●

RECOGNIZING ROBERTO ESTRADA AND THE WORLD'S LARGEST RED ENCHILADA

● Mr. DOMENICI. Mr. President, Saturday, March 10, 2001, marks a special day for the city of Las Cruces, NM. In a special ceremony, Las Cruces and Mr. Roberto Estrada will enter the Guinness Book of World Records. Roberto led the effort to make the world's largest three-layered, flat enchilada last October 8th during the annual Las Cruces Whole Enchilada Fiesta. This culinary triumph measured 33.89 feet in circumference, with a diameter of 10 feet, 5 inches.

Roberto Estrada has worked toward this day for about 20 years, each year slowly increasing the size of the enchilada. He is a native of Mesilla, N.M., and a graduate of Las Cruces High School. A community-spirited chef, he began pressing corn tortillas at the age of 15. In 1968, Roberto bought an old tortilla factory and created the New Mexico Mexican Food. He expanded and opened a restaurant next door, appropriately named Roberto's.

The Whole Enchilada Fiesta is a three-day celebration of southern New Mexico's traditions, people and great food. The community celebration centers around making a gigantic enchilada. Chef and founder of the fiesta, Estrada combines Southwest ingredients to make the crowd-pleasing enchilada.

You must realize a lot goes into making this enchilada. The recipe calls for 975 pounds of ground corn, grated cheese and chopped onions, in addition to 250 gallons of red chile sauce and vegetable oil. Roberto designed the special equipment used to cook the enchilada, including the press, carrying plate, cooking vat and serving plate.

A downtown street in Las Cruces is closed for creating and cooking the enchilada. To start, 250 pounds of ground corn dough, or masa, is placed on the press and carrying plate and pressed to make the tortilla. It is then cooked in a vat of 550-degree vegetable oil. Once cooked, the colossal corn tortilla is laid on the serving plate. Roberto then ladles chile sauce and spreads cheese and onions on the tortilla. This completes the first layer of the enchilada and the whole process is repeated two more times. More than a dozen volunteers help carry the ingredients and work the equipment.

All these ingredients, equipment and labor come together to create what is now known as the ''Largest Red Enchilada.'' After approximately two and a half hours from start to finish, the zesty dish is completed and served to the spectators who gathered to watch this event.

New Mexico is known for its diverse culture, great weather, and excellent food. Now there will be proof in the Guinness Book of World Records that the largest enchilada has been made by Roberto Estrada of Las Cruces, NM.

In a state that cherishes it's chile, red or green, this is a Guinness honor that belongs in New Mexico. To pinpoint it even further, the Mesilla Valley in southern New Mexico is one of the more renowned chile growing regions in the country. And I salute Roberto for taking the initiative as part of the Whole Enchilada Fiesta to bring the world's attention to our love of good and spicy food.

I extend an invitation to anyone interested in being a part of this great annual event in Las Cruces.●

TRIBUTE TO RENÉ JOSEY

● Mr. HOLLINGS. Mr. President, it is an honor for me to recognize René Josey, who recently stepped down as U.S. Attorney for the District of South Carolina after five years. Mr. Josey brought 10 years of experience practicing law to the job and built a reputation for being more than just an administrator. He took an active role during his tenure as district attorney, prosecuting 13 criminal cases and earning the genuine respect of his staff and fellow attorneys. Although he raised his profile at the office, he remained an unassuming public servant and focused his energy on the tasks at hand.

His accomplishments are numerous, not the least of which include the group of experienced litigators he brought on board who have strengthened our state's legal system. René Josey has returned to private practice with Turner, Padgett, Graham & Laney, a Columbia, South Carolina law firm with offices in his hometown of Florence and in Charleston. It has been a pleasure for both me and my staff to work with a talented individual like René and we wish him all the best as he continues his successful career.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:55 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 624. An act to amend the Public Health Service Act to promote organ donation.

S.J. Res. 6. Joint resolution providing for congressional disapproval of the rule submitted by the Department of Labor under chapter 8 of title 5, United States Code, relating to ergonomics.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 31. Concurrent resolution expressing the sense of the Congress regarding the importance of organ, tissue, bone marrow, and blood donation and supporting National Donor Day.

H. Con. Res. 47. Concurrent resolution honoring the 21 members of the National Guard who were killed in the crash of a National Guard aircraft on March 3, 2001, in south-central Georgia.

ENROLLED JOINT RESOLUTION SIGNED

At 12:11 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 19. Joint Resolution providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution.

The enrolled joint resolution was signed subsequently by the President pro tempore (Mr. THURMOND).

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 624. An act to amend the Public Health Service Act to promote organ donation; to the Committee on Health, Education, Labor, and Pensions.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 31. Concurrent resolution expressing the sense of the Congress regarding the importance of organ, tissue, bone marrow, and blood donation and supporting National Donor Day; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–942. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Massachusetts; Amendment to the Massachusetts Port Authority/Logan Airport Parking Freeze and City of Boston/East Boston Parking Freeze'' (FRL6931-3) received on March 6, 2001; to the Committee on Environment and Public Works.

EC–943. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; State of Utah; Ogden City Carbon Monoxide Redesignation of Areas for Air Quality Planning Purposes, and Approval of Revisions to the Oxygenated Gasoline Program'' (FRL6888-9) received on March 6, 2001; to the Committee on Environment and Public Works.

EC–944. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; Minnesota Designation of Areas for Air Quality Planning Purposes; Minnesota'' (FRL6901-1) received on March 6, 2001; to the Committee on Environment and Public Works.

EC–945. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Availability of 'Allocation of Fiscal Year 2001 Operator Training Grants''' (FRL6951-6) received on March 6, 2001; to the Committee on Environment and Public Works.

EC–946. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Availability of 'Award of Grants and Cooperative Agreements for the Special Projects and Programs Authorized by the Agency's FY 2001 Appropriations Act and the FY 2001 Consolidated Appropriations Act''' (FRL6951-5) received on March 6, 2001; to the Committee on Environment and Public Works.

EC–947. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Chromite Ore from the Transvaal Region of South Africa; Toxic Chemical Release Reporting; Community Right-to-Know'' (FRL6722-9) received on March 6, 2001; to the Committee on Environment and Public Works.

EC–948. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Protection of the Stratospheric Ozone: DeMinimis Exemption for Laboratory Essential Uses for Calendar Year 2001'' (FRL6952-1) received on March 6, 2001; to the Committee on Environment and Public Works.

EC–949. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes: Washington'' (FRL6938-5) received on March 6, 2001; to the Committee on Environment and Public Works.

EC–950. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Chlorothalonil; Pesticide Tolerance'' (FRL6759-4) received on March 6, 2001; to the Committee on Agriculture , Nutrition, and Forestry.

EC–951. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Butene, Homopolymer; Tolerance Exemption'' (FRL6769-8) received on March 6, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–952. A communication from the Acting Assistant Attorney General , Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, a report concerning contacts between the police and the public; to the Committee on the Judiciary.

EC–953. A communication from the Chairman of the Board of Governors, Federal Reserve System, transmitting, pursuant to law, a report concerning the use of plain language in agency rulemakings; to the Committee on Banking, Housing, and Urban Affairs.

EC–954. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, a certification that Armenia, Azerbaijan, Georgia, Moldova, Kazakhstan, Kyrgyzstan, and Uzbekistan are committed to the courses of action described in Section 1203 of the Cooperative Threat Reduction Act of 1993, and Section 1412 of the Former Soviet Union Demilitarization Act of 1992; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

From the Committee on Governmental Affairs, without amendment:

S. Res. 51: An original resolution authorizing expenditures by the Committee on Governmental Affairs.

From the Committee on Veterans' Affairs, without amendment:

S. Res. 52: An original resolution authorizing expenditures by the Committee on Veterans' Affairs.

From the Committee on the Judiciary, without amendment:

S. Res. 53: An original resolution authorizing expenditures by the Committee on the Judiciary.

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. ALLEN (for himself, Mr. WARNER, and Mr. CRAIG):

S. 488. A bill to amend the Internal Revenue Code of 1986 to provide for a refundable education opportunity tax credit; to the Committee on Finance.

By Mr. GREGG:

S. 489. A bill to amend the Family and Medical Leave Act of 1993 to clarify the Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. EDWARDS:

S. 490. A bill to provide grants to law enforcement agencies that ensure that law enforcement officers employed by such agencies are afforded due process when involved in a case that may lead to dismissal, demotion, suspension, or transfer; to the Committee on the Judiciary.

By Mr. CAMPBELL:

S. 491. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver Water Reuse project; to the Committee on Energy and Natural Resources.

By Mr. THOMPSON (for himself, Mr. MURKOWSKI, Mr. KYL, and Mr. HATCH):

S. 492. A bill to amend the Internal Revenue Code of 1986 to repeal the alternative minimum tax on individuals; to the Committee on Finance.

By Mr. DASCHLE (for himself and Mr. JOHNSON):

S. 493. A bill to provide for the establishment of a Sioux Nation Economic Development Council; to the Committee on Indian Affairs.

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

S. 494. A bill to provide for a transition to democracy and to promote economic recovery in Zimbabwe; to the Committee on Foreign Relations.

By Mr. HATCH:

S. 495. A bill to amend the Internal Revenue Code of 1986 to allow an above-the-line deduction for certain professional development expenses and classroom supplies of elementary and secondary school teachers; to the Committee on Finance.

By Mr. SANTORUM:

S. 496. A bill to amend the Individuals with Disabilities Education Act to modify authorizations of appropriations for programs under such Act; to the Committee on Health, Education, Labor, and Pensions.

By Mr. LEAHY (for himself, Ms. COLLINS, Mr. BINGAMAN, Mr. CRAPO, Mr. CONRAD, Mr. SPECTER, Mrs. FEINSTEIN, Mr. ROCKEFELLER, Mr. MCCONNELL, Mr. DORGAN, Mr. KERRY, Mr. SARBANES, Mr. JEFFORDS, Mr. HARKIN, Mr. TORRICELLI, Ms. MIKULSKI, Mr. REED, Mrs. MURRAY, Mr. FEINGOLD, and Mr. DURBIN):

S. 497. A bill to express the sense of Congress that the Department of Defense should field currently available weapons, other technologies, tactics and operational concepts that provide suitable alternatives to anti-personnel mines and mixed anti-tank mine systems and that the United States should end its use of such mines and join the Convention on the Prohibition of Anti-Personnel Mines as soon as possible, to expand support for mine action programs including mine victim assistance, and for other purposes; to the Committee on Armed Services.

By Mr. MURKOWSKI:

S. 498. A bill entitled ''National Discovery Trails Act of 2001''; to the Committee on Energy and Natural Resources.

By Mrs. LINCOLN:

S. 499. A bill to authorize the Secretary of Energy to establish a decommissioning pilot program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Arkansas; to the Committee on Energy and Natural Resources.

By Mr. BURNS (for himself, Mr. BAUCUS, Mr. DASCHLE, Mrs. LINCOLN, and Mr. DORGAN):

S. 500. A bill to amend the Communications Act of 1934 in order to require the Federal Communications Commission to fulfill the sufficient universal service support requirements for high cost areas, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRAHAM (for himself, Mr. JEFFORDS, Mr. ROCKEFELLER, Ms. SNOWE, Mr. WELLSTONE, Mr. BREAUX, Mr. LIEBERMAN, Mrs. MURRAY, Mrs. LINCOLN, Mr. DODD, Mr. JOHNSON, Mr. CLELAND, Mr. SCHUMER, Mr. KERRY, Mrs. CLINTON, Ms. LANDRIEU, and Mr. TORRICELLI):

S. 501. A bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, to restore the ability of States to transfer up to 10 percent of TANF funds to carry out activities under such block grant, and to require an annual report on such activities by the Secretary of Health and Human Services; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. MCCONNELL:

S. Res. 50. A resolution authorizing expenditures by the committees of the Senate for the periods March 1, 2001, through September 30, 2001, October 1, 2001, through September 30, 2002, and October 1, 2002, through February 28, 2003; to the Committee on Rules and Administration.

By Mr. THOMPSON:

S. Res. 51. An original resolution authorizing expenditures by the Committee on Governmental Affairs; from the Committee on Governmental Affairs; to the Committee on Rules and Administration.

By Mr. SPECTER:

S. Res. 52. An original resolution authorizing expenditures by the Committee on Veterans' Affairs; from the Committee on Veterans' Affairs; to the Committee on Rules and Administration.

By Mr. HATCH:

S. Res. 53. An original resolution authorizing expenditures by the Committee on the Judiciary; from the Committee on the Judiciary; to the Committee on Rules and Administration.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 54. A resolution authorizing expenditures by the committees of the Senate for the periods March 1, 2001, through September 30, 2001, October 1, 2001, through September 30, 2002, and October 1, 2002, through February 28, 2003; considered and agreed to.

By Mr. WELLSTONE:

S. Res. 55. A resolution designating the third week of April as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001 and all future years; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 27

At the request of Mr. FEINGOLD, the name of the Senator from North Carolina (Mr. EDWARDS) was added as a cosponsor of S. 27, a bill to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

S. 41

At the request of Mr. HATCH, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 41, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit and to increase the rates of the alternative incremental credit.

S. 104

At the request of Ms. SNOWE, the names of the Senator from Rhode Island (Mr. REED) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 104, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 152

At the request of Mr. GRASSLEY, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 152, a bill to amend the Internal Revenue Code of 1986 to eliminate the 60-month limit and increase the income limitation on the student loan interest deduction.

S. 161

At the request of Mr. WELLSTONE, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 161, a bill to establish the Violence Against Women Office within the Department of Justice.

S. 170

At the request of Mr. REID, the names of the Senator from Virginia (Mr. WARNER) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 172

At the request of Mr. SMITH of Oregon, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 172, a bill to benefit electricity consumers by promoting the reliability of the bulk-power system.

S. 177

At the request of Mr. AKAKA, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 177, a bill to amend the provisions of title 19, United States Code, relating to the manner in which pay policies and schedules and fringe benefit programs for postmasters are established.

S. 198

At the request of Mr. CRAIG, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. 198, a bill to require the Secretary of the Interior to establish a program to provide assistance through States to eligible weed management entities to control or eradicate harmful, nonnative weeds on public and private land.

S. 225

At the request of Mr. WARNER, the name of the Senator from Maryland (Ms. MIKULSKI) 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. 236

At the request of Mr. HUTCHINSON, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 236, a bill to amend the Internal Revenue Code of 1986 to expand the expense treatment for small businesses and to reduce the depreciation recovery period for restaurant buildings and franchise operations, and for other purposes.

S. 271

At the request of Mrs. FEINSTEIN, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 271, a bill to amend title 5, United States Code, to provide that the mandatory separation age for Federal firefighters be made the same as the age that applies with respect to Federal law enforcement officers.

S. 289

At the request of Mr. SESSIONS, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from Georgia (Mr. MILLER) were added as cosponsors of S. 289, a bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives for education.

S. 319

At the request of Mr. MCCAIN, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 319, a bill to amend title 49, United States Code, to ensure that air carriers meet their obligations under the Airline Customer Service Agreement, and provide improved passenger service in order to meet public convenience and necessity.

S. 321

At the request of Mr. GRASSLEY, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 321, a bill to amend title XIX of the Social Security Act to provide families

of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes.

S. 332

At the request of Mr. DEWINE, the name of the Senator from Nevada (Mr. ENSIGN) was added as a cosponsor of S. 332, a bill to provide for a study of anesthesia services furnished under the medicare program, and to expand arrangements under which certified registered nurse anesthetists may furnish such services.

S. 338

At the request of Mr. REID, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 338, a bill to protect amateur athletics and combat illegal sports gambling.

S. 350

At the request of Mr. CHAFEE, the names of the Senator from Alabama (Mr. SESSIONS) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 350, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to promote the cleanup and reuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, and for other purposes.

S. 409

At the request of Mrs. HUTCHISON, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 409, a bill to amend title 38, United States Code, to clarify the standards for compensation for Persian Gulf veterans suffering from certain undiagnosed illnesses, and for other purposes.

S. 414

At the request of Mr. CLELAND, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 414, a bill to amend the National Telecommunications and Information Administration Organization Act to establish a digital network technology program, and for other purposes.

S. CON. RES. 11

At the request of Mrs. FEINSTEIN, the names of the Senator from Oregon (Mr. WYDEN), the Senator from Mississippi (Mr. COCHRAN), the Senator from Connecticut (Mr. DODD), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Kansas (Mr. BROWNBACK), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S.Con.Res. 11, a concurrent resolution expressing the sense of Congress to fully use the powers of the Federal Government to enhance the science base required to more fully develop the field of health promotion and disease prevention, and to explore how strategies can be developed to integrate lifestyle improvement programs into national policy, our health care system, schools, workplaces, families and communities.

S. CON. RES. 15

At the request of Mr. BROWNBACK, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S.Con.Res. 15, a concurrent resolution to designate a National Day of Reconciliation.

S. RES. 19

At the request of Mr. SPECTER, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S.Res. 19, a resolution to express the sense of the Senate that the Federal investment in biomedical research should be increased by $3,400,000,000 in fiscal year 2002.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GREGG:

S. 489. A bill to amend the Family and Medical Leave Act of 1993 to clarify the Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. GREGG. Mr. President, the Family and Medical Leave Act was intended to be used by families for critical periods such as after the birth or adoption of a child and leave to care for a child, spouse, or one's own ''serious medical condition.''

Since its passage, the Family and Medical Leave Act has had a significant impact on employers' leave practices and policies. According to the Commission on Family and Medical Leave two-thirds of covered work sites have changed some aspect of their policies in order to comply with the Act.

Unfortunately, the Department of Labor's implementation of certain provisions of the Act has resulted in significant unintended administrative burden and costs on employers; resentment by co-workers when the act is misapplied; invasions of privacy by requiring employers to ask deeply personal questions about employees and family members planning to take FMLA leave; disruptions to the workplace due to increased unscheduled and unplanned absences; unnecessary record keeping; unworkable notice requirements; and conflicts with existing policies. Despite these problems, which have been well documented in five separate congressional hearings, including one I chaired and a House hearing where I testified, the previous administration choose to ignore those problems and instead pushed for a back door expansion of the Act through a rule known as Baby U.I., the Birth and Adoption Unemployment Compensation Rule. The Baby U.I. rule allows states to raid their unemployment compensation trust funds for an unrelated program, paid family leave. As a former Governor, I am very concerned about the impact of the rule on state unemployment trust funds, which should be preserved for tough economic times.

The Department of Labor's vague and confusing implementing regulations and interpretations have resulted in the FMLA being misapplied, misunderstood and mistakenly ignored. Employers aren't sure if situations like pink eye, ingrown toenails and even the common cold will be considered by the regulators and the courts to be serious health conditions. Because of these concerns and well-documented problems with the Act, I am today introducing the Family and Medical Leave Clarification Act to make reasonable and much needed technical corrections to the Family and Medical Leave Act and restore it to its original congressional intent.

The need for FMLA technical corrections has been confirmed and strengthened by five congressional hearings and by the recent release of key surveys. Conclusive evidence of the need for corrections has now been established. The Congressional hearings demonstrated that the FMLA's definition of serious health condition is vague and overly broad due to DOL's interpretations. Additionally, the hearings documented that the intermittent leave provisions, notification and certification problems are causing many serious workplace problems. In addition, some companies testified that Congress should consider allowing employers to permit employees to take either a paid leave package under an existing collective bargaining agreement or the 12 weeks of FMLA protected leave, whichever is greater.

I am concerned that a recent decrease in paid leave for employees has been attributed to the Administration's problematic FMLA interpretations. Some research shows a decline in voluntarily provided paid sick leave and vacation leave by the private sector. The 2000 SHRMR, Society for Human Resource Management, Benefits Survey found that paid vacation was provided by 87 percent of companies in the year 2000 while the year before it was 94 percent. Paid sick leave was at 85 percent last year and 74 percent this year.

A recent survey conducted by former President Clinton's Department of Labor confirmed FMLA implementation problems. The Labor Department report found that the share of covered establishments reporting that it was somewhat or very easy to comply with the FMLA has declined 21.5 percent from 1995 to 2000.

The recent release of the SHRMR, Society for Human Resource Management, 2000 FMLA Survey strongly reinforces the need for FMLA technical corrections. Respondents to the SHRM survey stated that, on average, 60 percent of employees who take FMLA leave do not schedule the leave in advance. Consequently, managers often

do not have the ability to plan for work disruptions. Respondents also reported that, in most cases, the burden of the workload from the employee on leave falls to employees who are not on leave. When asked whether they have had to grant FMLA requests they felt were not legitimate, more than half, 52 percent, said they had. Additionally, more than one-third, 34 percent, of respondents said they were aware of employee complaints over the past year regarding a co-worker's questionable use of FMLA leave. The issue of intermittent leave also continues to be extremely difficult. Three-quarters, 76 percent, of respondents said they would find compliance easier if the Department of Labor allowed FMLA leave to be offered and tracked in half-day increments rather than by minutes.

I am very concerned that both the SHRM and the Labor Department surveys show that FMLA implementation is becoming more difficult, not easier seven years after it has been in place. I am hopeful that the Family and Medical Leave Clarification Act will advance in the 107th Congress on a bipartisan basis to address this problem.

The FMLA Clarification Act has the strong support of the Society for Human Resource Management, the U.S. Chamber of Commerce, the National Association of Manufacturers, the American Society of Healthcare Human Resources Professionals and close to 300 other leading companies and associations who make up the Family and Medical Leave Act Technical Corrections Coalition. I have received a letter of support from the Coalition and ask that it be printed in the RECORD. This broad based coalition, shares my belief that both employers and employees would benefit from making certain technical corrections to the FMLA, corrections that are needed to restore congressional intent and to reduce administrative and compliance problems experienced by employers who are making a good faith effort to comply with the act.

The bill I am introducing today does several important things:

First, it repeals the Department of Labor's current regulations for ''serious health condition'' and includes language from the Democrats' own original Committee Report on what types of medical conditions, such as heart attacks, strokes, spinal injuries, etc., were intended to be covered. In passing the FMLA, Congress stated that the term ''serious health condition'' is not intended to cover short-term conditions, for which treatment and recovery are very brief, recognizing that ''it is expected that such condition will fall within the most modest sick leave policies.'' The Department of Labor's current regulations are extremely confusing and expansive, defining the term ''serious health condition'' as including, among other things, any absence of more than 3 days in which the employee sees any health care provider and receives any type of continuing treatment, including a second doctor's visit, or a prescription, or a referral to a physical therapist, such a broad definition potentially mandates FMLA leave where an employee sees a health care provider once, receives a prescription drug, and is instructed to call the health care provider back if the symptoms do not improve; the regulations also define as a ''serious health condition'' any absence for a chronic health problem, such as arthritis, asthma, diabetes, etc., even if the employee does not see a doctor for that absence and is absent for less than three days.

Second, the bill amends the Act's provisions relating to intermittent leave to allow employers to require that intermittent leave be taken in minimum blocks of 4 hours. This would minimize the misuse of FMLA by employees who use FMLA as an excuse for regular tardiness and routine justification for early departures.

Third, the bill shifts to the employee the responsibility to request leave be designated as FMLA leave, and requires the employee to provide written application within 5 working days of providing notice to the employer for foreseeable leave. With respect to unforeseeable leave, the bill requires the employee to provide, at a minimum, oral notification of the need for the leave not later than the date the leave commences unless the employee is physically or mentally incapable of providing notice or submitting the application. Under that circumstance the employee is provided such additional time as necessary to provide notice.

Shifting the burden to the employee to request leave be designated as FMLA leave eliminates the need for the employer to question the employee and pry into the employee's and the employee's family's private matters, as required under current law, and helps eliminate personal liability for employer supervisors who should not be expected to be experts in the vague and complex regulations which even attorneys have a difficult time understanding. Under current law, it is the employer's responsibility in all circumstances to designate leave, paid or unpaid, as FMLA-qualifying. Failure to do so in a timely manner or to inform an employee that a specific event does not qualify as FMLA leave may result in that unqualified leave becoming qualified leave under FMLA. This scenario has actually been upheld in Court and has placed an enormous burden on employers to respond within 48 hours of an employee's leave request. In addition, the courts have held that there is personal liability for employers under the FMLA and that an individual manager may be sued and held individually liable for acts taken based upon or relating to the FMLA. See Freemon v. Foley, 911 F. Supp. 326, N.D. Ill. 1995, in case of first impression in 7th Circuit, court stated, ''We believe the FMLA extends to all those who controlled 'in whole or in part' [plaintiff's] ability to take leave of absence and return to her position'').

Fourth, with respect to leave because of the employee's own serious health condition, the bill permits an employer to require the employee to choose between taking unpaid leave provided by the FMLA or paid absence under an employer's collective bargaining agreement or other sick leave, sick pay, or disability plan, program, or policy of the employer. This change provides incentive for employers to continue their generous sick leave policies while providing a disincentive to employers considering getting rid of such employee-friendly plans, including those negotiated by the employer and the employee's union representative. Paid leave would be subject to the employer's normal work rules and procedures for taking such leave, including work rules and procedures dealing with attendance requirements.

The FMLA Clarification Act is a reasonable response to the concerns that have been raised about the Act. It leaves in place the fundamental protections of the law while attempting to make changes necessary to restore FMLA to its original intent and to respond to the very legitimate concerns that have been raised. I urge my colleagues to restore the FMLA to its original Congressional intent. I ask that the test of the bill and a letter of support be printed in the RECORD.

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

S. 489

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

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

(a) SHORT TITLE.—This Act may be cited as the ''Family and Medical Leave Clarification Act''.

(b) REFERENCES.—Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.).

(c) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; references; table of contents.
Sec. 2. Findings.
Sec. 3. Definition of serious health condition.
Sec. 4. Intermittent leave.
Sec. 5. Request for leave.
Sec. 6. Substitution of paid leave.
Sec. 7. Regulations.
Sec. 8. Effective date.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The Family and Medical Leave Act of 1993 (referred to in this section as the ''Act'')

is not working as Congress intended when Congress passed the Act in 1993. Many employers, including those employers that are nationally recognized as having generous family-friendly benefit and leave programs, are experiencing serious problems complying with the Act.

(2) The Department of Labor's overly broad regulations and interpretations have caused many of these problems by greatly expanding the Act's coverage to apply to many nonserious health conditions.

(3) Documented problems generated by the Act include significant new administrative and personnel costs, loss of productivity and scheduling difficulties, unnecessary paperwork and recordkeeping, and other compliance problems.

(4) The Act often conflicts with employers' paid sick leave policies, prevents employers from managing absences through their absence control plans, and results in most leave under the Act becoming paid leave.

(5) The Commission on Leave, established in title III of the ACt (29 U.S.C. 2631 et seq.), which reported few difficulties with compliance with the Act, failed to identify many of the problems with compliance because the study on which the report was based was conducted too soon after the date of enactment of the Act and the most significant problems with compliance arose only when employers later sought to comply with the Act's final regulations and interpretations.

SEC. 3. DEFINITION OF SERIOUS HEALTH CONDITION.

Section 101(11) (29 U.S.C. 2611(11)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by aligning the margins of those clauses with the margins of clause (i) of paragraph (4)(A);

(3) by inserting before ''The'' the following: ''(A) IN GENERAL.—''; and

(4) by adding at the end the following:

''(B) EXCLUSIONS.—The term does not include a short-term illness, injury, impairment, or condition for which treatment and recovery are very brief.

''(C) EXAMPLES.—The term includes an illness, injury, impairment, or physical or mental condition such as a heart attack, a heart condition requiring extensive therapy or a surgical procedure, a stroke, a severe respiratory condition, a spinal injury, appendicitis, pneumonia, emphysema, severe arthritis, a severe nervous disorder, an injury caused by a serious accident on or off the job, an ongoing pregnancy, a miscarriage, a complication or illness related to pregnancy, such as severe morning sickness, a need for prenatal care, childbirth, and recovery from childbirth, that involves care or treatment described in subparagraph (A).''.

SEC. 4. INTERMITTENT LEAVE.

Section 102(b)(1) (29 U.S.C. 2612(b)(1)) is amended by striking the period at the end of the second sentence and inserting the following: '', as certified under section 103 by the health care provider after each leave occurrence. An employer may require an employee to take intermittent leave in increments of up to ½ of a workday. An employer may require an employee who travels as part of the normal day-to-day work or duty assignment of the employee and who requests intermittent leave or leave on a reduced schedule to take leave for the duration of that work or assignment if the employer cannot reasonably accommodate the employee's request.''.

SEC. 5. REQUEST FOR LEAVE.

Section 102(e) (29 U.S.C. 2612(e)) is amended by inserting after paragraph (2) the following:

''(3) REQUEST FOR LEAVE.—If an employer does not exercise, under subsection (d)(2), the right to require an employee to substitute other employer-provided leave for leave under this title, the employer may require the employee who wants leave under this title to request the leave in a timely manner. If an employer requires a timely request under this paragraph, an employee who fails to make a timely request may be denied leave under this title.

''(4) TIMELINESS OF REQUEST FOR LEAVE.—For purposes of paragraph (3), a request for leave shall be considered to be timely if—

''(A) in the case of foreseeable leave, the employee—

''(i) provides the applicable advance notice required by paragraphs (1) and (2); and

''(ii) submits any written application required by the employer for the leave not later than 5 working days after providing the notice to the employer; and

''(B) in the case of unforeseeable leave, the employee—

''(i) notifies the employer orally of the need for the leave—

''(I) not later than the date the leave commences; or

''(II) during such additional period as may be necessary, if the employee is physically or mentally incapable of providing the notification; and

''(ii) submits any written application required by the employer for the leave—

''(I) not later than 5 working days after providing the notice to the employer; or

''(II) during such additional period as may be necessary, if the employee is physically or mentally incapable of submitting the application.''.

SEC. 6. SUBSTITUTION OF PAID LEAVE.

Section 102(d)(2) (29 U.S.C. 2612(d)(2)) is amended by adding at the end the following:

''(C) PAID ABSENCE.—Notwithstanding subparagraphs (A) and (B), with respect to leave provided under subparagraph (D) of subsection (a)(1), where an employer provides a paid absence under the employer's collective bargaining agreement, a welfare benefit plan under the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1001 et seq.), or under any other sick leave, sick pay, or disability plan, program, or policy of the employer, the employer may require the employee to choose between the paid absence and unpaid leave provided under this title.''.

SEC. 7. REGULATIONS.

(a) EXISTING REGULATIONS.—

(1) REVIEW.—Not later than 90 days after the date of enactment of this Act, the Secretary of Labor shall review all regulations issued before that date to implement the Family and Medical Leave Act of 1993 (29 U.S.C. 2601 et seq.), including the regulations published in sections 825.114 and 825.115 of title 29, Code of Federal Regulations.

(2) TERMINATION.—The regulations, and opinion letters promulgated under the regulations, shall cease to be effective on the effective date of final regulations issued under subsection (b)(2)(B), except as described in subsection (c).

(b) REVISED REGULATIONS.—

(1) IN GENERAL.—The Secretary of Labor shall issue revised regulations implementing the Family and Medical Leave Act of 1993 that reflect the amendments made by this Act.

(2) NEW REGULATIONS.—The Secretary of Labor shall issue—

(A) proposed regulations described in paragraph (1) not later than 90 days after the date of enactment of this Act; and

(B) final regulations described in paragraph (1) not later than 180 days after that date of enactment.

(3) EFFECTIVE DATE.—The final regulations take effect 90 days after the date on which the regulations are issued.

(e) TRANSITION.—The regulations described in subsection (a) shall apply to actions taken by an employer prior to the effective date of final regulations issued under subsection (b)(2)(B), with respect to leave under the Family and Medical Leave Act of 1993.

SEC. 8. EFFECTIVE DATE

The amendments made by this Act shall take effect 180 days after the date of enactment of this Act.

FMLA

TECHNICAL CORRECTIONS COALITION,
Springfield, VA, February 7, 2001.

Hon. JUDD GREGG,
Chairman,
Subcommittee on Children and Families,
Hart Senate Office Building,
U.S. Senate,
Washington, DC.

DEAR CHAIRMAN GREGG: the Family and Medical Leave Act Technical Corrections Coalition would like to commend you for reintroducing the Family and Medical Leave Clarification Act.

As you know, the Coalition is a diverse, broad-based, nonpartisan group of nearly 300 leading companies and associations. Members of the Coalition are fully committed to complying with both the spirit and the letter of the FMLA and strongly believe that employers should provide policies and programs to accommodate the individual work-life needs of their employees. At the same time, members of the Coalition believe that the FMLA should be fixed to protect those employees that Congress aimed to assist while streamlining administrative problems that have arisen. Since the FMLA is not working properly, the Coalition does not support expansions to the Act.

Unfortunately, FMLA implementation problems, which were well documented during your July 14, 1999 hearing and four other Congressional hearings, continue to grow. The need for your FMLA technical corrections legislation has been confirmed and even strengthened over the past year through additional Congressional hearings and through the release of new survey information: (1) the SHRM® (Society for Human Resource Management) 2000 FMLA Survey and (2) the new Department of Labor (DOL) FMLA Survey. While the SHRM survey is a more accurate national measure of FMLA implementation since it was specifically directed to those actually charged with FMLA compliance, both the SHRM and DOL surveys essentially reached the same conclusion: FMLA problems are growing. For example:

Both the DOL and SHRM surveys found that more employers are finding the FMLA and its regulations and interpretations more difficult than they did several years ago.

The Labor Department report found that the share of covered establishments reporting that it was somewhat or very easy to comply with the FMLA declined 21.5 percent from 1995 to 2000. The fact that both the Labor Department and SHRM surveys show that FMLA implementation is becoming more difficult, not easier seven years after it has been in place is of great concern.

The DOL survey conducted by former President Clinton's Labor Department casts significant doubt on the need for federally mandated FMLA expansions as the best way to provide increased flexibility for workers. For example, the Labor Department survey found that the gap between covered and non-

covered establishments has narrowed since 1995, as non-covered establishments are significantly more likely to offer FMLA-type benefits in 2000 than they were five years earlier. Interestingly, non-covered employers are more likely than covered establishments to offer leave for school-related functions or routine medical appointments.

The SHRM report confirmed Congressional hearing findings that the issue of intermittent leave continues to be extremely difficult. Three-quarters (76 percent) of respondents said they would find compliance easier if the Department of Labor allowed FMLA leave to be offered and tracked in half-day increments rather than by minutes. Additionally, a survey by CORE, Inc. survey found that the majority (54%) does not feel confident that their company is tracking FMLA correctly.

In all SHRM and Labor Department surveys, past and present, the most commonly reported method of covering work when an employee takes leave was to assign the work temporarily to other employees. The SHRM survey showed that a full 34% of human resource professionals were aware of complaints by coworkers due to questionable use of FMLA.

The fact that both the Labor Department and SHRM surveys show that FMLA implementation is becoming more difficult, not easier, seven years after it has been in place is of great concern.

Thank you for your leadership and continued commitment to restoring the FMLA to its original Congressional intent through FMLA technical corrections while preserving the spirit of the Act. The entire FMLA Technical Corrections Coalition looks forward to working with you to ensure its success.

Respectfully,

DEANNA R. GELAK, SPHR,
Executive Director.

By Mr. EDWARDS:

S. 490. A bill to provide grants to law enforcement agencies that ensure that law enforcement officers employed by such agencies are afforded due process when involved in a case that may lead to dismissal, demotion, suspension, or transfer; to the Committee on the Judiciary.

Mr. EDWARDS. Mr. President, I rise today to introduce the Law Enforcement Officers Due Process Act of 2001. Every day our nation's police officers put their lives on the line in the fight against crime. Every time they patrol a beat they put their own safety at risk to protect our children and make our country a better place to live and work. We all owe a great deal to these brave men and women.

Working police officers spend their lives among the public safeguarding the innocent and apprehending those who have committed crimes. Much of this contact can be stressful for everyone involved. Perhaps an individual has been stopped by an officer for the suspected violation of a law. Or maybe the officer is assisting someone who is the victim of a crime. Due to the circumstances, these are often unpleasant situations. And unfortunately, in some instances, contact with the police officer may become adversarial and generate complaints about the officer's actions.

These complaints range from accusations that an officer took too long to arrive at a crime scene, used too much force, or was not forceful enough, to claims that the officer was rude or didn't show proper respect. Some complaints against officers are legitimate. However, some complaints are generated to intimidate an officer who is simply doing his or her job, into dropping charges. Any one of these complaints can get an officer fired, suspended, or otherwise punished without the benefit of due process.

A patchwork of state and local laws currently governs the rights of officers when they are involved in a case that may lead to dismissal, demotion, suspension or transfer. Thirty-five states have state and/or local laws in place that govern the administrative due process rights of law enforcement officers. However, 15 states do not have any of these much-deserved due process protections for their law enforcement officers.

The Law Enforcement Officers Due Process Act is a common-sense measure designed to replace arbitrary and ad hoc investigatory procedures with consistent standards. The legislation will provide additional funding to law enforcement agencies that either have in place, or currently do not have but certify they will implement, administrative due process for their law enforcement officers. An agency will be eligible for grant money if its administrative procedures include the right of a law enforcement officer under investigation to: (1) a hearing before a fair and impartial board or hearing officer; (2) be represented by an attorney or other officer at the expense of the officer under investigation; (3) confront any witness testifying against him or her; and (4) record all meetings he or she attends. In many instances, an employer with direct control over an officer is also the investigator. That is why providing basic, explicitly stated rights to officers under investigation is crucial to maintaining impartial investigations. These rights will not interfere with the management of state and local internal investigations. They will merely ensure that officers receive the benefit of fair and objective investigations, whether a complaint against them is legitimate or not.

Some individuals may be concerned that providing these rights would delay removal of an officer who is ultimately found to have deserved disciplinary action taken against them. However, I'd like to emphasize that my legislation would not prevent the immediate suspension of an officer whose continued presence on the job is considered to be a substantial and immediate threat to the welfare of the law enforcement agency or the public; who refuses to obey a direct order issued in conformance with the agency's rules and regulations; or who is accused of committing an illegal act.

The Law Enforcement Officers Due Process Act does not force a law enforcement agency to implement due process rights for its officers. Rather, it encourages agencies to do the right thing by offering them additional funds if they establish written procedures for determining if a complaint is valid or merely designed to cause trouble for the officer.

I urge my colleagues who represent states that do not have law enforcement officers' due process rights laws to cosponsor my bill and give their police officers the protections they deserve. I also urge my colleagues who represent states that have various local laws in place to cosponsor my bill. By doing so they will help eliminate the disparity that exists among local jurisdictions, and guarantee that every single officer in their state will have a minimum baseline of rights to help guarantee fair and impartial investigations.

Crime rates are down across the nation. We owe a tremendous debt of gratitude to our nation's police officers for helping make this happen. Our communities, our schools, and our places of business would not enjoy the level of security they have today without the efforts of law enforcement. Enacting the Law Enforcement Officers Due Process Act is the least we can do to show officers that we will fight for all of them just like they fight for all of us every day.

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

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

S. 490

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 ''Law Enforcement Officers Due Process Act of 2001''.

SEC. 2. PROTECTION FOR LAW ENFORCEMENT OFFICERS.

(a) PROGRAM AUTHORIZED.—The Attorney General is authorized to provide grants to law enforcement agencies that are eligible under subsection (b).

(b) ELIGIBILITY.—To be eligible to receive a grant under this section, a law enforcement agency shall—

(1) have in effect an administrative process that complies with the requirements of subsection (c); or

(2) certify that it will establish, not later than 2 years after the date of enactment of this Act, an administrative process that complies with the requirements of subsection (c).

(c) OFFICER RIGHTS.—The administrative process referred to in subsection (b) shall require that a law enforcement agency that investigates a law enforcement officer for matters which could reasonably lead to disciplinary action against such officer, including dismissal, demotion, suspension, or transfer

provide recourse for the officer that, at a minimum, includes the following:

(1) ACCESS TO ADMINISTRATIVE PROCESS.—The agency has written procedures to ensure that any law enforcement officer is afforded access to any existing administrative process established by the employing agency prior to the imposition of any such disciplinary action against the officer.

(2) SPECIFIC PROCEDURES.—The procedures used under paragraph (1) include, the right of a law enforcement officer under investigation—

(A) to a hearing before a fair and impartial board or hearing officer;

(B) to be represented by an attorney or other officer at the expense of such officer;

(C) to confront any witness testifying against such officer; and

(D) to record all meetings in which such officer attends.

(d) IMMEDIATE SUSPENSION.—Nothing in this section shall prevent the immediate suspension with pay of a law enforcement officer—

(1) whose continued presence on the job is considered to be a substantial and immediate threat to the welfare of the law enforcement agency or the public;

(2) who refuses to obey a direct order issued in conformance with the agency's written and disseminated rules and regulations; or

(3) who is accused of committing an illegal act.

(e) DISTRIBUTION OF FUNDS.—From the amount made available to carry out this section, the Attorney General shall allocate—

(1) 50 percent for law enforcement agencies that are eligible under paragraph (1) of subsection (b); and

(2) 50 percent for law enforcement agencies that are eligible under paragraph (2) of subsection (b).

(f) REGULATIONS.—The Attorney General may prescribe such regulations as may be necessary to carry out this section.

(g) DEFINITIONS.—For purposes of this section—

(1) the term ''law enforcement agency'' means any State or unit of local government within the State that employs law enforcement officers; and

(2) the term ''law enforcement officer'' means an officer with the powers of arrest as defined by the laws of each State and required to be certified under the laws of such State.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

By Mr. CAMPBELL:

S. 491. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Denver Water Reuse project; to the Committee on Energy and Natural Resources.

Mr. CAMPBELL. Mr. President, I take this opportunity to reintroduce a bill that will help millions of water consumers throughout my home state of Colorado. My bill, the Denver Water Reuse Project, is based on legislation I previously introduced in the last Congress. The full Senate passed this legislation last year, but time ran out in the 106th Congress before the House could act.

The Denver Water Department has developed a plan to re-use non-potable water for irrigation and industrial uses. In the arid West, where growing populations and changing values are placing increasing demands on existing water supplies, water availability remains an important issue throughout the West. Recent conflicts are particularly apparent where agricultural needs for water are often in direct conflict with urban needs. This legislation will help remedy some of this conflict.

The State of Colorado, the Colorado Water Congress, the Denver Board of Water Commissioners, and the Mayor of Denver endorsed this legislation last year. I am pleased to assist these interested parties with this worthwhile proposal.

The Denver Water Department serves over a million customers and is one of the largest water suppliers in the Rocky Mountain region. Over the past several years Denver Water has developed a plan to treat and re-use some of its water supply for uses not involving human consumption. In this manner, Denver will stretch its water supply without the cost and potential environmental disruption of building new projects. It will also ease the demand on fresh drinking-quality water supplies.

The Denver Water Reuse Project will treat secondary wastewater which is water that has already been used once in Denver's system. It is an environmentally and economically viable method for extending and conserving our limited water supplies. The water quality will meet all Colorado and federal standards. The water will still be clean and odorless, but since it will be used for irrigation and industrial uses around the Denver International Airport and the Rocky Mountain Wildlife Refuge, the additional expense to treat it for consumption will be avoided.

In the West, naturally scarce water supplies and increasing urban populations have increased our need for water re-use, recycling, conservation, and storage proposals. These are all keys to successfully meet the water needs of everyone. This plan would benefit many Coloradans, and would help relieve many of the water burdens faced in the Denver region. Again, I'd like to thank the interested parties for their support, and I am hopeful this bill can be quickly passed and put into effect.

I ask unanimous consent that the text of the bill and a copy of the letter of support from the Mayor of Denver be printed in the RECORD.

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

S. 491

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

SECTION 1. DENVER WATER REUSE PROJECT.

(a) IN GENERAL.—The Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h et seq.) is amended—

(1) by redesignating sections 1631, 1632, 1633, and 1634 (43 U.S.C. 390h–13, 390h–14, 390h–15, 390h–16) as sections 1632, 1633, 1634, and 1635, respectively; and

(2) by inserting after section 1630 the following:

''SEC. 1631. DENVER WATER REUSE PROJECT.

''(a) AUTHORIZATION.—The Secretary, in cooperation with the appropriate State and local authorities, may participate in the design, planning, and construction of the Denver Water Reuse project to reclaim and reuse water in the service area of the Denver Water Department of the city and county of Denver, Colorado.

''(b) COST SHARE.—The Federal share of the cost of the project described in subsection (a) shall not exceed 25 percent of the total cost.

''(c) LIMITATION.—Funds provided by the Secretary shall not be used for the operation or maintenance of the project described in subsection (a).''.

(b) CONFORMING AMENDMENTS.—

(1) The Reclamation Wastewater and Groundwater Study and Facilities Act (as amended by subsection (a)(1)) is amended—

(A) in section 1632(a), by striking ''1630'' and inserting ''1631'';

(B) in section 1633(c), by striking ''section 1633'' and inserting ''section 1634''; and

(C) in section 1634, by striking ''section 1632'' and inserting ''section 1633''.

(2) The table of contents in section 2 of the Reclamation Projects Authorization and Adjustment Act of 1992 is amended by striking the items relating to sections 1631 through 1634 and inserting the following:

''Sec. 1631. Denver water reuse project.
''Sec. 1632. Authorization of appropriations.
''Sec. 1633. Groundwater study.
''Sec. 1634. Authorization of appropriations.
''Sec. 1635. Willow Lake natural treatment system project.''.

OFFICE OF THE MAYOR,
Denver, CO, March 5, 2001.

Hon. BEN NIGHTHORSE CAMPBELL,
U.S. Senator, Russell Senate Office Building, Washington, DC.

DEAR SENATOR CAMPBELL: Once again, I want to express my appreciation for your support of legislation adding the Denver Water Non-potable Reuse Project to the Bureau of Reclamation's approved projects list.

We are proud to include non-potable reuse, coupled with water conservation and system refinements, as core components of the Denver Water 20-year plan. We certainly acknowledge the importance and value of our limited water resources throughout Colorado. Reuse efforts allow us to reduce or minimize the Denver metro area's demands on limited Colorado River sources.

Once again, thank you for your support.

Yours truly,

WELLINGTON E. WEBB,
Mayor.

By Mr. DASCHLE (for himself and Mr. JOHNSON):

S. 493. A bill to provide for the establishment of a Sioux Nation Economic Development Council; the Committee on Indian Affairs.

Mr. DASCHLE. Mr. President, today I am introducing a bill along with Senator JOHNSON, to amend the Wakpa Sica Reconciliation Place legislation that was enacted in the final days of the 106th Congress.

The original version of the Wakpa Sica bill that the Senate approved last year established a center of law, history, culture and economic development for the Lakota, Dakota and Nakota tribes of the upper Midwest. The Reconciliation Place authorized by the bill will become a focal point for the preservation of Sioux law and culture. It will enhance the knowledge and understanding of the Sioux by displaying and interpreting their history, art, and culture. It will also provide an important repository for the Sioux Nation history and the family histories for members of tribes, and other important historical documents.

Regrettably, the Reconciliation Place law that ultimately passed in the 106th Congress did not include the economic development title to strengthen tribal communities and expand opportunities for tribal members and businesses. That provision, which I strongly support, was dropped due to objections from the House of Representatives that threatened enactment of the entire bill, which included Wakpa Sica.

The bill that I am introducing today would authorize a Sioux Nation Economic Development Council. It complements the Wakpa Sica Reconciliation Place by providing opportunities for further economic development and regional job creation for the Great Sioux Nation.

The Sioux Nation Economic Development Council will assist tribal governments and individuals in promoting economic growth on the reservations and surrounding communities. It will coordinate economic development and will centralize the expertise and technical support to help tribes obtain federal assistance. It will raise funds from private donations to match federal contributions. Finally, it will provide grants, loans, scholarships and technical assistance to tribes and their members, to ultimately help tribes generate jobs.

The strength of the Reconciliation Place lies in its diversity of purpose. It will have many funding sources, both public and private. Each agency mentioned in the bill will assist in providing funding and technical assistance to the tribes and tribal members through the Reconciliation Place. This assistance will not diminish the government-to-government policy established by the United States for individual tribes. Instead, it will provide a focal point for governmental and private organizations to expand their ability to help the entire Great Sioux Nation.

The United Sioux Tribes, the State of South Dakota and Mike Jandreau, Chairman of the Lower Brule Sioux Tribe, have been working on this project for many years. I share their enthusiasm for the concept and commitment to building a comprehensive center for Sioux culture, law and economic development. Enactment of this legislation is necessary to fulfill that commitment to the Great Sioux Nation.

I strongly urge my colleagues to approve this legislation this year. 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. 493

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

SECTION 1. SIOUX NATION ECONOMIC DEVELOPMENT COUNCIL.

Title IV of the Omnibus Indian Advancement Act (Public Law 106-568) is amended—

(1) in section 401—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(7) the establishment of a Native American Economic Development Council will assist in promoting economic growth and reducing poverty on reservations of the Sioux Nation by—

''(A) coordinating economic development efforts;

''(B) centralizing expertise concerning Federal assistance; and

''(C) facilitating the raising of funds from private donations to meet matching requirements under certain Federal assistance programs.''; and

(2) by adding at the end the following:

''Subtitle C—Sioux Nation Economic Development Council

''SEC. 431. ESTABLISHMENT OF SIOUX NATION ECONOMIC DEVELOPMENT COUNCIL.

''(a) ESTABLISHMENT.—There is established the Sioux Nation Economic Development Council (in this subtitle referred to as the 'Council') as a part of the Wakpa Sica Reconciliation Place. The Council shall be a charitable and nonprofit corporation and shall not be considered to be an agency or establishment of the United States.

''(b) PURPOSES.—The purposes of the Council are—

''(1) to encourage, accept, and administer private gifts of property;

''(2) to use those gifts as a source of matching funds necessary to receive Federal assistance;

''(3) to provide members of Indian tribes with the skills and resources necessary for establishing successful businesses;

''(4) to provide grants and loans to members of Indian tribes to establish or operate small businesses;

''(5) to provide scholarships for members of Indian tribes who are students pursuing an education in business or a business-related subject; and

''(6) to provide technical assistance to Indian tribes and members thereof in obtaining Federal assistance.

''SEC. 432. BOARD OF DIRECTORS OF THE COUNCIL.

''(a) ESTABLISHMENT AND MEMBERSHIP.—

''(1) IN GENERAL.—The Council shall have a governing Board of Directors (in this subtitle referred to as the 'Board').

''(2) MEMBERSHIP.—The Board shall consist of 11 directors, who shall be appointed by the Secretary as follows:

''(A)(i) Nine members appointed under this paragraph shall represent the 9 reservations of South Dakota.

''(ii) Each member described in clause (i) shall—

''(I) represent 1 of the reservations described in clause (i); and

''(II) be selected from among nominations submitted by the appropriate Indian tribe.

''(B) One member appointed under this paragraph shall be selected from nominations submitted by the Governor of South Dakota.

''(C) One member appointed under this paragraph shall be selected from nominations submitted by the most senior member of the South Dakota Congressional delegation.

''(3) CITIZENSHIP.—Each member of the Board shall be a citizen of the United States.

''(b) APPOINTMENTS AND TERMS.—

''(1) APPOINTMENT.—Not later than December 31, 2001, the Secretary shall appoint the directors of the Board under subsection (a)(2).

''(2) TERMS.—Each director shall serve for a term of 2 years.

''(3) VACANCIES.—A vacancy on the Board shall be filled not later than 60 days after that vacancy occurs, in the manner in which the original appointment was made.

''(4) LIMITATION ON TERMS.—No individual may serve more than 3 consecutive terms as a director.

''(c) CHAIRMAN.—The Chairman shall be elected by the Board from its members for a term of 2 years.

''(d) QUORUM.—A majority of the members of the Board shall constitute a quorum for the transaction of business.

''(e) MEETINGS.—The Board shall meet at the call of the Chairman at least once a year. If a director misses 3 consecutive regularly scheduled meetings, that individual may be removed from the Board by the Secretary and that vacancy filled in accordance with subsection (b)(3).

''(f) REIMBURSEMENT OF EXPENSES.—Members of the Board shall serve without pay, but may be reimbursed for the actual and necessary traveling and subsistence expenses incurred by them in the performance of the duties of the Council in accordance with section 434(a).

''(g) GENERAL POWERS.—

''(1) POWERS.—The Board may complete the organization of the Council by—

''(A) appointing officers and employees;

''(B) adopting a constitution and bylaws consistent with the purposes of the Council under this subtitle; and

''(C) carrying out such other actions as may be necessary to carry out the purposes of the Council under this subtitle.

''(2) EFFECT OF APPOINTMENT.—Appointment to the Board shall not constitute employment by, or the holding of an office of, the United States for the purposes of any Federal law.

''(3) LIMITATIONS.—The following limitations shall apply with respect to the appointment of officers and employees of the Council:

''(A) Officers and employees may not be appointed until the Council has sufficient funds to pay them for their service.

''(B) Officers and employees of the Council—

''(i) shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

''(ii) may be paid without regard to the provisions of chapter 51 and subchapter III of

chapter 53 of such title relating to classification and General Schedule pay rates.

''(4) SECRETARY OF THE BOARD.—The first officer or employee appointed by the Board shall be the Secretary of the Board. The Secretary of the Board shall—

''(A) serve, at the direction of the Board, as its chief operating officer; and

''(B) be knowledgeable and experienced in matters relating to economic development and Indian affairs.

''SEC. 433. POWERS AND OBLIGATIONS OF THE COUNCIL.

''(a) CORPORATE POWERS.—To carry out its purposes under section 431(b), the Council shall have, in addition to the powers otherwise given it under this subtitle, the usual powers of a corporation acting as a trustee under South Dakota law, including the power—

''(1) to accept, receive, solicit, hold, administer, and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income therefrom or other interest therein;

''(2) to acquire by purchase or exchange any real or personal property or interest therein;

''(3) unless otherwise required by the instrument of transfer, to sell, donate, lease, invest, reinvest, retain, or otherwise dispose of any property or income therefrom;

''(4) to borrow money and issue bonds, debentures, or other debt instruments;

''(5) to sue and be sued, and complain and defend itself in any court of competent jurisdiction, except that the directors shall not be personally liable, except for gross negligence;

''(6) to enter into contracts or other arrangements with public agencies and private organizations and persons and to make such payments as may be necessary to carry out its function; and

''(7) to carry out any action that is necessary and proper to carry out the purposes of the Council.

''(b) OTHER POWERS AND OBLIGATIONS.—

''(1) IN GENERAL.—The Council—

''(A) shall have perpetual succession;

''(B) may conduct business throughout the several States, territories, and possessions of the United States and abroad;

''(C) shall have its principal offices in South Dakota; and

''(D) shall at all times maintain a designated agent authorized to accept service of process for the Council.

''(2) SERVICE OF NOTICE.—The serving of notice to, or service of process upon, the agent required under paragraph (1)(D), or mailed to the business address of such agent, shall be deemed as service upon or notice to the Council.

''(c) SEAL.—The Council shall have an official seal selected by the Board, which shall be judicially noticed.

''(d) CERTAIN INTERESTS.—If any current or future interest of a gift, devise, or bequest under subsection (a)(1) is for the benefit of the Council, the Council may accept the gift, devise, or bequest under such subsection, even if that gift,devise, or bequest is encumbered, restricted, or subject to beneficial interests of 1 or more private persons.

SEC. 434. ADMINISTRATIVE SERVICES AND SUPPORT.

''(a) PROVISION OF SERVICES.—The Secretary may provide personnel, facilities, and other administrative services to the Council, including reimbursement of expenses under section 432(f), not to exceed then current applicable Federal Government per diem rates, for a period ending not later than 5 years after the date of enactment of this subtitle.

''(b) REIMBURSEMENT.—

''(1) IN GENERAL.—The Council may reimburse the Secretary for any administrative service provided under subsection (a). The Secretary shall deposit any reimbursement received under this subsection into the Treasury to the credit of the appropriations then current and chargeable for the cost of providing such services.

''(2) CONTINUATION OF CERTAIN ASSISTANCE.—Notwithstanding any other provision of this section, the Secretary is authorized to continue to provide facilities, and necessary support services for such facilities, to the Council after the date specified in subsection (a), on a space available, reimbursable cost basis.

''SEC. 435. VOLUNTEER STATUS.

''(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may accept, without regard to the civil service classification laws, rules, or regulations, the services of the Council, the Board, and the officers and employees of the Board, without compensation from the Secretary, as volunteers in the performance of the functions authorized under this subtitle.

''(b) INCIDENTAL EXPENSES.—The Secretary is authorized to provide for incidental expenses, including transportation, lodging, and subsistence to the officers and employees serving as volunteers under subsection (a).

''SEC. 436. AUDITS, REPORT REQUIREMENTS, AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

''(a) AUDITS.—The Council shall be subject to auditing and reporting requirements under section 10101 of title 36, United States Code, in the same manner as is a corporation under part B of that title.

''(b) REPORT.—As soon as practicable after the end of each fiscal year, the Council shall transmit to Congress a report of its proceedings and activities during such year, including a full and complete statement of its receipts, expenditures, and investments.

''(c) RELIEF WITH RESPECT TO CERTAIN COUNCIL ACTS OR FAILURE TO ACT.—If the Council—

''(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with the purposes of the Council under section 431(b); or

''(2) refuses, fails, or neglects to discharge the obligations of the Council under this subtitle, or threatens to do so;

then the Attorney General of the United States may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate.

''SEC. 437. UNITED STATES RELEASE FROM LIABILITY.

The United States shall not be liable for any debts, defaults, acts, or omissions of the Council, the Board, or the officers or employees of the Council. The full faith and credit of the United States shall not extend to any obligation of the Council, the Board, or the officers or employees of the Council.

''SEC. 438. GRANTS TO COUNCIL; TECHNICAL ASSISTANCE.

''(a) GRANTS.—

''(1) IN GENERAL.—Not less frequently than annually, the Secretary shall award a grant to the Council, to be used to carry out the purposes specified in section 431(b) in accordance with this section.

''(2) GRANT AGREEMENTS.—As a condition to receiving a grant under this section, the secretary of the Board, with the approval of the Board, shall enter into an agreement with the Secretary that specifies the duties of the Council in carrying out the grant and the information that is required to be included in the agreement under paragraphs (3) and (4).

''(3) MATCHING REQUIREMENTS.—Each agreement entered into under paragraph (2) shall specify that the Federal share of a grant under this section shall be 80 percent of the cost of the activities funded under the grant. No amount may be made available to the Council for a grant under this section, unless the Council has raised an amount from private persons or State or local government agencies equivalent to the non-Federal share of the grant.

''(4) PROHIBITION ON THE USE OF FEDERAL FUNDS FOR ADMINISTRATIVE EXPENSES.—Each agreement entered into under paragraph (2) shall specify that a reasonable amount of the Federal funds made available to the Council (under the grant that is the subject of the agreement or otherwise), but in no event more that 15 percent of such funds, may be used by the Council for administrative expenses of the Council, including salaries, travel and transportation expenses, and other overhead expenses.

''(b) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—Each agency head listed in paragraph (2) shall provide to the Council such technical assistance as may be necessary for the Council to carry out the purposes specified in section 431(b).

''(2) AGENCY HEADS.—The agency heads listed in this paragraph are as follows:

''(A) The Secretary of Housing and Urban Development.

''(B) The Secretary of the Interior.

''(C) The Commissioner of Indian Affairs.

''(D) The Assistant Secretary for Economic Development of the Department of Commerce.

''(E) The Administrator of the Small Business Administration.

''(F) The Administrator of the Rural Development Administration.

''SEC. 439. AUTHORIZATION OF APPROPRIATIONS.

''(a) AUTHORIZATION.—There are authorized to be appropriated to the Secretary, $10,000,000 for each of fiscal years 2002 through 2006, to be used in accordance with section 438.

''(b) ADDITIONAL AUTHORIZATION.—The amounts authorized to be appropriated under this section are in addition to any amounts provided or made available to the Council under any other provision of Federal law.

''SEC. 440. DEFINITION.

''In this section the term 'Secretary' means the Secretary of Commerce.''.

By Mr. HATCH.

S. 495. A bill to amend the Internal Revenue Code of 1986 to allow an above-the-line deduction for certain professional development expenses and classroom supplies of elementary and secondary school teachers; to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today to introduce legislation designed to increase tax fairness for America's primary and secondary school teachers.

Over the past few years, much has been said about the inequities of some of the provisions of the Internal Revenue Code. Indeed, one does not need to look very far in the Code to begin to see provisions that are just plain unfair. I would like to highlight just one egregious example of this unfairness today, and introduce legislation to begin to rectify it.

Mr. President, our public school teachers are some of the unheralded heroes of our society. These women and men dedicate their careers to educating the young people of America. School teachers labor in often difficult and even dangerous circumstances. In most places, including in my home state of Utah, the salary of the average public school teacher is significantly below that of other similarly educated and experienced professionals in our society.

Moreover, school teachers find themselves further disadvantaged by unfair treatment from the tax code as to the deductibility of professional development expenses and of the out-of-pocket costs of classroom materials that practically all teachers find themselves supplying. Let me explain.

Like many other professionals, most elementary and secondary school teachers regularly incur expenses to keep themselves current in their field of knowledge. These include subscriptions to journals and other periodicals as well as the cost of courses and seminars designed to improve their knowledge or teaching skills. These expenditures are necessary to keep our teachers up to date on the latest ideas, techniques, and trends so that they can provide our children with the best education possible.

Furthermore, almost all teachers find themselves providing basic classroom materials for their students. Because of tight education budgets, most schools do not provide 100 percent of the material teachers need to adequately present their lessons. As a result, dedicated teachers incur personal expenses for copies, art supplies, books, puzzles and games, paper, pencils, and countless other needs. If not for the willingness of teachers to purchase these supplies themselves, many students would simply go without needed materials.

I realize that many employees incur expenses for professional development and out-of-pocket expenses. In many cases, however, these costs are fully reimbursed by the employer. This is seldom the case with school teachers. Other professionals who are self-employed are able to fully deduct these types of expenses.

Under the current tax law, unreimbursed employee expenses are deductible, as miscellaneous itemized deductions. However, there are two practical hurdles that effectively make these expenses non-deductible for most teachers. The first hurdle is that the total amount of a taxpayer's deductible miscellaneous deductions must exceed 2 percent of adjusted gross income before they begin to be deductible. The second hurdle is that the amount in excess of the 2 percent floor, if any, combined with all other deductions the taxpayer has, must exceed the standard deduction before the teacher can itemize. Only about 30 percent of taxpayers have enough deductions to itemize. The unfortunate effect of these two limitations is that, as a practical matter, only a small proportion of teachers are able to deduct these expenses.

Let me illustrate this unfair situation with an example. Let us consider the case of a fifth-year high school chemistry teacher in Utah who I will call Wendy Ruffner. Wendy is single and earns $35,000 per year. Last year she incurred $750 in expenses for chemistry periodicals and for a course she took over the summer to increase her knowledge of chemistry. Wendy also incurred $100 in out-of-pocket expenses for classroom supplies such as copies, periodical charts, and equipment for classroom experiments.

Under current law, Wendy's expenditures are deductible, subject to the limitations I mentioned. The first limitation is that her expenses must exceed 2 percent of her income before they begin to be deductible. Two percent of $35,000 is $700. Thus only $140 of her $840 total expenses is deductible, that portion that exceeds $700.

As a single taxpayer, Wendy's standard deduction for 2000 is $4,400. Her total itemized deductions, including the $140 miscellaneous deduction for professional expenses, fall short of the standard deduction threshold. Therefore, not even the $140 of the original $840 in professional expenses is deductible for Wendy. What the first limitation did not block, the second one did.

The legislation I introduce today, the Tax Equity for School Teachers, or TEST Act, would eliminate the unfairness teachers face in regards to these limitations by making all professional development and out-of-pocket expenses an above-the-line deduction. This means a teacher could deduct these expenses without regard to the 2 percent of AGI limitation and whether he or she itemizes or not.

Let us return to my previous example of Wendy Ruffner. Under this bill, Wendy would be allowed to deduct all $840 of her professional expenses from her taxable income. This would help provide tax equity, and a measure of much-needed tax relief for an underpaid professional.

Some might argue that this would be giving teachers preferential treatment. I disagree. Most organizations provide training for their employees that is fully deductible to the organization and non-taxable to the employee. Yet, public teachers, who are some of the most vital professionals in our society, are left to foot the bill on their own. Office supplies and instructional materials are also fully deductible to businesses. Shouldn't teachers who provide these similar materials for their classrooms be afforded the same tax treatment?

School teachers deserve better tax treatment than what they receive. With the low pay teachers typically receive, it is no wonder that many areas of the country are facing severe shortages of experienced teachers. The tax code is compounding the problem by adding insult to injury. We need to remove the unfair disincentives that discourage motivated and qualified individuals from pursuing teaching as a profession.

I note that President Bush's tax cut plan also recognizes this need and provides for a deduction of up to $400 in teachers' out-of-pocket classroom expenses. This is a good step in the right direction. My bill, however, provides an unlimited deduction for out-of-pocket expenses and goes further and also includes the costs of professional development expenses. I do not believe we need to place a limit on these deductions. Teachers are going to provide their students with materials and take the professional development courses regardless of a tax deduction. They should be able to deduct these expenditures.

Mr. President, this bill would provide modest tax equity for teachers who, for too long, have been footing the bill for improving the quality of teaching by themselves. It is time we the tax code recognized this unfairness and corrected it. I thank the Senate for the opportunity to address this issue today, and I urge my colleagues to support this 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. 495

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 ''Tax Equity for School Teachers Act of 2001''.

SEC. 2. DEDUCTION FOR CERTAIN PROFESSIONAL DEVELOPMENT EXPENSES AND CLASSROOM SUPPLIES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) DEDUCTION ALLOWED WHETHER OR NOT TAXPAYER ITEMIZES OTHER DEDUCTIONS.—Subsection (a)(2) of section 62 of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by adding at the end the following new subparagraph:

''(D) CERTAIN PROFESSIONAL DEVELOPMENT EXPENSES AND CLASSROOM SUPPLIES FOR TEACHERS.—The deductions allowed by section 162 which consist of qualified professional development expenses and qualified elementary and secondary education expenses paid or incurred by an eligible teacher.''.

(b) DEFINITIONS.—Section 62 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) QUALIFIED EXPENSES OF ELIGIBLE TEACHERS.—For purposes of subsection (a)(2)(D)—

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

''(A) IN GENERAL.—The term 'qualified professional development expenses' means expenses for tuition, fees, books, supplies,

equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction.

''(B) QUALIFIED COURSE OF INSTRUCTION.—The term 'qualified course of instruction' means a course of instruction which—

''(i) is—

''(I) directly related to the curriculum and academic subjects in which an eligible teacher provides instruction, or

''(II) designed to enhance the ability of an eligible teacher to understand and use State standards for the academic subjects in which such teacher provides instruction,

''(ii) may—

''(I) provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented), or

''(II) provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subclause (I) to learn,

''(iii) is tied to challenging State or local content standards and student performance standards,

''(iv) is tied to strategies and programs that demonstrate effectiveness in increasing student academic achievement and student performance, or substantially increasing the knowledge and teaching skills of an eligible teacher, and

''(v) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the goals of the preceding clauses.

''(C) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this subsection.

''(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term 'qualified elementary and secondary education expenses' means expenses for any taxable year for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible teacher in the classroom.

''(3) ELIGIBLE TEACHER.—

''(A) IN GENERAL.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school on a full-time basis for an academic year ending during a taxable year.

''(B) ELEMENTARY OR SECONDARY SCHOOL.—The term 'elementary or secondary school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

By Mr. SANTORUM:

S. 496. A bill to amend the Individuals with Disabilities Education Act to modify authorizations of appropriations for programs under such Act; to the Committee on Health, Education, Labor, and Pensions.

Mr. SANTORUM. Mr. President, today, I am introducing legislation to dramatically increase funding for the Individuals with Disabilities Education Act, IDEA. My legislation would more than double the federal commitment to IDEA funding within four years. The legislation, ''Growing Resources in Educational Achievement for Today and Tomorrow,'' GREATT IDEA, will take significant steps toward fulfilling the federal commitment to IDEA funding. The legislation will also free up additional funds for local school districts to be spent on their highest priorities, whether it be teacher training or salaries, reducing class sizes, school construction, library resources, technology, or music and arts education. The legislation is supported by the Pennsylvania School Boards Association and Pennsylvania Governor Tom Ridge.

Every child is deserving of a high-quality education in an environment that encourages them to learn and grow to the best of their ability. Thanks to IDEA, many students are learning and achieving at levels previously thought impossible, graduating from high school, going to college and entering the workforce as productive citizens. We must encourage this progress and continue to give parents and teachers the resources they need to create opportunities for special children. By boldly increasing the IDEA funding level, we can keep more students in schools and help them achieve new measures of success.

Prior to IDEA's implementation in 1975, approximately 1 million children with disabilities were shut out of schools and hundreds of thousands more were denied appropriate services. Since then, IDEA has helped change the lives of these children. Congress had originally committed to cover 40 percent of IDEA's costs when it passed the original IDEA bill in 1975, with the remaining balance to be met by local communities and states. Over the years, however, while the law itself continues to work and children are being educated, the intended cost-sharing partnership has not been realized. The federal commitment of 40 percent will be reached within eight years if the funding stream established in GREATT IDEA is sustained. This is my first priority in helping local school districts provide the best education possible for elementary and secondary education.

I urge my colleagues to support this effort to double funding for IDEA within the next four years as we continue to work to fulfill this long neglected federal commitment and free up educational resources for local education. I am pleased with the funding progress we were able to make this past year. Yet, this legislation goes further by fully funding approximately 700,000 additional IDEA students at an average cost of $13,860 per student. We must accelerate the progress we have made by passing and funding this legislation.

By Mr. LEAHY (for himself, Ms. COLLINS, Mr. BINGAMAN, Mr. CRAPO, Mr. CONRAD, Mr. SPECTER, Mrs. FEINSTEIN, Mr. ROCKEFELLER, Mr. MCCONNELL, Mr. DORGAN, Mr. KERRY, Mr. SARBANES, Mr. JEFFORDS, Mr. HARKIN, Mr. TORRICELLI, Ms. MIKULSKI, Mr. REED, Mrs. MURRAY, Mr. FEINGOLD, and Mr. DURBIN):

S. 497. A bill to express the sense of Congress that the Department of Defense should field currently available weapons, other technologies, tactics and operational concepts that provide suitable alternatives to anti-personnel mines and mixed anti-tank mine systems and that the United States should end its use of such mines and join the Convention on the Prohibition of Anti-Personnel Mines as soon as possible, to expand support for mine action programs including mine victim assistance, and for other purposes; to the Committee on Armed Services.

Mr. LEAHY. Mr. President, I am today introducing the Landmine Elimination Act of 2001. I am joined by Senators COLLINS, BINGAMAN, CRAPO, CONRAD, SPECTER, FEINSTEIN, ROCKEFELLER, MCCONNELL, KERRY, SARBANES, DORGAN, JEFFORDS, REED, HARKIN, MIKULSKI, MURRAY, FEINGOLD, TORRICELLI, and DURBIN.

This legislation does three things.

It expresses the sense of Congress that the Department of Defense should field currently available weapons, other technologies, tactics and operational concepts which provide suitable alternatives to landmines. It is our view that such alternatives exist and are, in fact, better suited than mines to protect United States Armed Forces in today's fast-moving battlefield. This view is shared by many active and retired military officers.

The bill calls on the United States to end its use of mines, and to join the Convention on the Prohibition of Anti-Personnel Mines as soon as possible. It also codifies the U.S. moratorium on mine exports, which has been in effect since 1992 and is official United States policy. Finally, it establishes an interagency working group to develop a comprehensive plan for expanded mine action programs, including programs to assist mine victims.

Mr. President, the havoc wreaked by landmines throughout the world is well known. They have been responsible for by far the majority of casualties of NATO and peacekeeping forces in the Balkans. They were a cause of American casualties in Somalia. They maimed and killed thousands of our troops in Vietnam. And, most often, they cripple and kill innocent civilians, thousands and thousands each year.

In 1992, the United States became the first country to stop exporting landmines. That led other countries to take

similar action, and in 1994 President Clinton called for an international treaty banning the weapons. That treaty, which came into force in 1998, has been signed by 139 countries and ratified by 110.

The United States is not among them, because of concerns at the time about Korea and the fact that the treaty would require the United States to stop using most of its anti-vehicle mines. Those were not frivolous concerns, although I do not believe either issue was fully understood or examined when the decision was made, and I have worked to obtain the funds to develop alternatives to mines.

Over the past year, however, I and others have spent a great deal of time discussing these issues with both active and retired military officers. These discussions have revealed a number of interesting facts, which I intend to discuss with Secretary Rumsfeld, the Joint Chiefs, President Bush and others. Most importantly, I and others have become convinced that landmines are inconsistent with current U.S. military doctrine. They are neither cost effective nor compatible with our highly mobile forces, and in fact they pose serious logistical problems and dangers for our troops. We can do better, and we should be working together to get rid of these outdated weapons. It is not necessary to waste years developing costly new alternatives. We have the ''smart'' weapons and other technologies to more effectively protect our Armed Forces.

I look forward to the day when the United States joins the Treaty, because I am convinced that without U.S. participation and leadership the Treaty will never achieve its promise. But having said that, I have never regarded the Treaty as a kind of ''holy grail'' of landmines. My interest in this issue, which dates to 1989 when I met a young Honduran boy who had lost a leg from a mine, has always been to achieve a mine-free world. That is an ambitious goal, but it is the right goal. And regardless of when the U.S. joins the Treaty, we can develop a mine-free military.

Ironically, when that happens, the United States, which at times has been unfairly blamed for causing the mine problem, will become the world's leader on this issue. We will have ended not only our use of anti-personnel mines, which the Treaty prohibits, but also of anti-vehicle mines, which, while not prohibited by the Treaty, are responsible for the indiscriminate deaths and injuries of countless innocent people.

I look forward to an opportunity to work with the Department of Defense and the White House to develop a common approach, because the issue is no longer whether we develop a mine-free military, but when. It is a far more political issue than a military issue, and it is time to leave past disagreements and disappointments behind and work together on this common goal.

The problem of landmines continues to be an issue of deep concern to people across this country and around the world. This week, hundreds of people from dozens of countries are in Washington to focus attention on this issue. Among them is Her Majesty Queen Noor, who I am honored to call a friend and who has been an eloquent advocate for a mine-free world and particularly for assistance for mine victims.

One of the purposes of this legislation is to develop more effective programs to address the urgent needs of mine victims. It is one thing for a person who has lost an arm or a leg from a mine to obtain an artificial limb. It is another to get the counseling and training to be able to earn income in poor countries where the disabled are often ostracized. We need to do what we can to help mine victims reintegrate into the social and economic life of their communities.

I want to thank the cosponsors of this legislation, who, like other legislation I have sponsored on landmines span the political spectrum. This is not and has never been a partisan issue. It is a humanitarian issue. If landmines were a problem in our own country, they would have been prohibited years ago.

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

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

S. 497

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

SECTION 1. SHORT TITLE

This Act may be cited as the ''Landmine Elimination and Victim Assistance Act of 2001''.

SEC. 2 FINDINGS.

Congess makes the following findings:

(1) The threat posed by tens of millions of unexploded landmines to innocent civilians is a global problem requiring strong United States leadership in cooperation with other governments.

(2) Landmines continue to maim and kill thousands of people, mostly civilians, each year, and most mine victims lack the care and rehabilitation services they need.

(3) Landmines, which remain active for hours, days or years, impeded the mobility and threaten the safety of United States Armed Forces, North Atlantic Treaty Organization forces, and other friendly forces in combat and other military operations.

(4) At least 139 countries have signed, and 110 countries have ratified, the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction (opened for signature at Ottawa, Canada, on December 3 and 4, 1997, and at the United Nations Headquarters beginning December 5, 1997). Many of these countries are former producers, exporters, and users of anti-personnel mines. Worldwide adherence to the Convention would greatly reduce the threat to future generations from anti-personnel mines.

(5) It is United States Government policy that the United States will search aggressively for alternatives to anti-personnel mines and mixed anti-tank mine systems and that the United States will join the Convention by 2006 if suitable alternatives are fielded by then.

(6) Since 1992, United States law has prohibited the export or transfer of anti-personnel mines.

(7) Since 1997, the United States has capped its inventory of anti-personnel mines and has not produced anti-personnel mines.

(8) The United States Government has contributed hundreds of millions of dollars to the costly, dangerous, and arduous task of humanitarian demining around the world.

SEC. 3. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the Department of Defense should field currently available weapons, other technologies, tactics and operational concepts that provide suitable alternatives to anti-personnel mines and mixed anti-tank mine systems; and

(2) The United States should end its uses of such mines and join the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction as soon as possible.

SEC. 4. TRANSFERS OF ANTI-PERSONNEL MINES

Section 1365(c) of the National Defense Authorization Act for Fiscal Year 1993 (22 U.S.C. 2778 note) is amended by striking ''During'' and all that follows through ''1991—'' and inserting ''Beginning on October 23, 1992—''.

SEC. 5. INTER-AGENCY WORKING GROUP ON MINE ACTION.

Not later than 90 days after the date of the enactment of this Act, the President shall establish an inter-agency working group to develop a comprehensive plan for expanded mine action programs, including mine victim rehabilitation, social support, and economic reintegration. The working group shall be composed of the Secretaries of State, Health and Human Services, Veterans Affairs, Defense, Education, and the Administrator of the Agency for International Development. The comprehensive plan shall be developed in close consultation with relevant nongovernmental organizations. As part of the development of the comprehensive plan, the working group shall determine an estimated cost of carrying out the plan.

SEC. 6. REPORT ON ALTERNATIVES TO MINES.

No later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services and the Committees on Appropriations of the Senate and the House or Representatives a report describing actions taken by the Department of Defense to field currently available weapons, other technologies, tactics and operational concepts that provide suitable alternatives to anti-personnel mines and mixed anti-tank mine systems.

By Mr. MURKOWSKI:

S. 498. A bill entitled ''National Discovery Trails Act of 2001''; to the Committee on Energy and Natural Resources.

Mr. MURKOWSKI. Mr. President, America's trails are one of our most treasured recreational resources. Each year millions of Americans hike, ski, jog, bike, ride horses, drive snow machines and all-terrain vehicles, observe nature, commute, and relax on trails

throughout the country. The types of trails found across the nation are varied and range from urban bike paths to bridle paths, community green ways, abandoned railroad right-of-ways, historic trails, and long distance hiking trails.

This legislation proposes to establish the American Discovery Trail, or ADT. The ADT is being proposed as a continuous coast to coast trail that links the nation's principal north-south trails and east-west historic trails with shorter local and regional trails into a nationwide network.

National Discovery Trails are a new category of trails that recognize that use and enjoyment of trails close to home is equally as important as hiking remote wilderness trails. National Discovery Trails will connect people to large cities, small towns and urban areas and to mountains, forest, desert and natural areas by incorporating local, regional and national trails together.

The American Discovery Trail links towns and cities on America's long distance trail system. Existing long-distance trails are used mostly by people living close to the trail and by weekend users. Backpacking excursions are normally a few days to a couple of weeks long. For example, of the estimated three million users of the Appalachian Trail each year, only about 150 to 200 are ''through-hikers'' who hike the trail from end to end. This will also be true of the American Discovery Trail as well, especially because of its proximity to urban areas.

The ADT, the first of the Discovery Trails, will connect six national scenic trails, 10 national historic trails, 23 national recreational trails, and hundreds of other local and regional trails. The ADT will be a thread that sews together a variety of events, cultures, and features that are all part of the American experience.

What makes the ADT so exciting is the way it has already brought people together. More than 100 organizations along the trail's 6,000 miles support the effort. Each state the trail pass through already has a volunteer coordinator who leads an active ADT committee. This strong grassroots effort, along with financial support from Backpacker magazine, Ford Motor Company, The Coleman Company and others have helped take the ADT from dream to reality.

Only one more very important step on the trail needs to be taken. Congress needs to authorize the trail as part of our National Trails System.

The American Discovery Trail begins (or ends) with your two feet in the Pacific Ocean at Point Reyes National Seashore, just north of San Francisco. Next are Berkeley and Sacramento before the climb to the Pacific Crest National Scenic Trail and Lake Tahoe, in the middle of the Sierra Nevada Mountains.

Nevada will offer Historic Virginia City, home of the Comstock Lode, the Pony Express National Historic Trail, Great Basin National Park with Lehman Caves and Wheeler Peak.

Utah will provide National Forests and Parks along with spectacular red rock country, until you get to Colorado and Colorado National Monument and its 20,445 acres of sandstone monoliths and canyons. Then there's Grand Mesa over Scofield Pass, and Crested Butte, in the heart of ski country as you follow the Colorado and Continental Divide Trails into Evergreen.

At Denver the ADT divides and becomes the Northern and Southern Midwest routes. The Northern Midwest Route winds through Nebraska, Iowa, Illinois, Indiana and Ohio. The Southern Midwest Route leaves Colorado and the Air Force Academy and follows the tracks and wagon wheel ruts of thousands of early pioneers through Kansas and Missouri as well as settlements and historic places in Illinois, Indiana, Kentucky until the trail joins the Northern route in Cincinnati.

West Virginia is next, then Maryland to the C&O Canal into Washington D.C. The Trail passed the Mall, the White House, the Capitol, and then heads on to Annapolis. Finally, in Delaware, the ADT reaches its eastern terminus at Cap Henlopen State Park and the Atlantic Ocean.

Between the Pacific and Atlantic Oceans one will experience some of the most spectacular scenery in the world, thousands of historic sites, lakes, rivers and streams of every size. The trail offers an opportunity to discover America from small towns, to rural country side, to large metropolitan areas.

When the President signs this legislation into law, a twelve year effort will have been achieved—the American Discovery Trail will have become a reality. The more people who use it, the better.

By Mr. BURNS (for himself, Mr. BAUCUS, Mr. DASCHLE, Mrs. LINCOLN, and Mr. DORGAN):

S. 500. A bill to amend the Communications Act of 1934 in order to required the Federal Communications Commission to fulfill the sufficient universal service support requirements for high cost areas, and for other purposes; to the Committee on Commerce, Science, and Transportation.

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

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

S. 500

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 ''Universal Service Support Act''.

SEC. 2. REMOVAL OF IMPEDIMENTS TO SUFFICIENT SUPPORT MECHANISMS.

Section 254 of the Communications Act of 1934 is amended by adding at the end the following new subsection:

(m) REMOVAL OF IMPEDIMENTS TO SUFFICIENT SUPPORT MECHANISMS.—

(1) REMOVAL OF CAPS ON HIGH COST SUPPORT MECHANISMS.—The caps and limitations on universal service support contained in sections 36.601(c), and 36.621(4) and 54.305 of the Commission's regulations (47 CFR 36.601, [etc]) shall cease to be effective on the date of enactment of the Universal Service Support Act. The Commission shall not, on or after such date of enactment, enforce or reimpose caps or limitations on support mechanisms for rural telephone companies or exchanges they acquire based on fund size or other considerations unrelated to the sufficiency of support to achieve the purposes of this section.

(2) HIGH COST SUPPORT AND NATIONWIDE AVERAGE CALCULATIONS.—The Commission shall

(A) calculate that portion of the high cost support mechanism attributable to loops that have costs that are in excess of 115 percent of the nationwide average under section 36.631 of the Commission's regulations (47 CFR 36.631) as in effect in the date of enactment of the Universal Service Support Act; and

(B) calculate the nationwide average unseparated loop cost for purposed of sections 36.621 (a)(1)–(3) and 36.622 of those regulations (47 CFR 36.621 and 36.622) as in effect on such date of enactment of such Act, taking into account the elimination of caps and limitations of support pursuant to paragraph (1) of this subsection.

By Mr. GRAHAM (for himself, Mr. JEFFORDS, Mr. ROCKFELLER, Ms. SNOWE, Mr. WELLSTONE, Mr. BREAUX, Mr. LIEBERMAN, Mrs. MURRAY, Mrs. LINCOLN, Mr. DODD, Mr. JOHNSON, Mr. CLELAND, Mr. SCHUMER, Mr. KERRY, Mrs. CLINTON, Ms. LANDRIEU, and Mr. TORRICELLI):

S. 501. A bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, to restore the ability of States to transfer up to 10 percent of TANF funds to carry out activities under such block grant, and to require an annual report on such activities by the Secretary of Health and Human Services, to the Committee on Finance.

Mr. GRAHAM. Mr. President, I rise today with my colleagues, Senators JEFFORDS, ROCKEFELLER, and SNOWE, to introduce the Social Services Block Grant Restoration Act of 2001. This important block grant, commonly known as ''SSBG,'' is more than just money.

When SSBG was written into law two decades ago, the goals were spelled out clearly. SSBG was created to ''prevent, reduce or eliminate dependency.'' It exists to help people ''achieve or maintain self-sufficiency.'' It meant to ''prevent or remedy neglect, abuse or exploitation of children and adults unable to protect their own interests,'' and for ''preserving, rehabilitating or reuniting families.''

In other words, SSBG is a commitment on the part of this country to the

most vulnerable members of our society. SSBG has become a commitment by this country to help address the pressing needs of many of our senior citizens. SSBG dollars are used to provide training services for those making the transition from welfare to work.

It is a commitment to protect children. It is a commitment to those in need of mental health services and those with disabilities. It is a commitment to states that the federal government recognizes and shares the responsibility for providing human services programs.

For too long we shrugged off this commitment and directed these vital federal dollars to other programs. Data from the Department of Health and Human Services shows how many lives this has affected.

In 1998, SSBG accounted for 25 percent of all federal, state, and local expenditures for services for the disabled; 24 percent of all expenditures for child protective services; and 22 percent of all expenditures for adult protective services.

The state of Florida relies on SSBG for 25 percent of its budget to protect abused and neglected elderly persons.

These are all programs that touch the lives of the people who sent us here—people who are rarely able to lobby us here in our nation's Capitol. This program directly relates to the goals that the new markets tax credit would achieve—enhancing peoples' lives and giving vulnerable communities the ability to thrive.

I urge my colleagues to join us in cosponsoring this critical piece of legislation.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 50—AUTHORIZING EXPENDITURES BY THE COMMITTEES OF THE SENATE FOR THE PERIODS MARCH 1, 2001, THROUGH SEPTEMBER 30, 2001, OCTOBER 1, 2001, THROUGH SEPTEMBER 30, 2002, AND OCTOBER 1, 2002, THROUGH FEBRUARY 28, 2003.

Mr. MCCONNELL submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 50

Resolved,

SECTION 1. AGGREGATE AUTHORIZATION.

(a) IN GENERAL.—For purposes of carrying out the powers, duties, and functions under the Standing Rules of the Senate, and under the appropriate authorizing resolutions of the Senate there is authorized for the period March 1, 2001, through September 30, 2001, in the aggregate of $39,909,797, for the period October 1, 2001, through September 30, 2002, in the aggregate of $70,788,088, and for the period October 1, 2002, through February 28, 2003, in the aggregate of $30,273,086, in accordance with the provisions of this resolution, for standing committees of the Senate (except the Committee on the Judiciary), the Special Committee on Aging, the Select Committee on Intelligence, and the Committee on Indian Affairs.

(b) AGENCY CONTRIBUTIONS.—There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committees for the period March 1, 2001, through September 30, 2001, for the period October 1, 2001, through September 30, 2002, and for the period October 1, 2002, through February 28, 2003, to be paid from the appropriations account for ''Expenses of Inquiries and Investigations'' of the Senate.

SEC. 2. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,794,378, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $3,181,922, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,360,530, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 3. COMMITTEE ON ARMED SERVICES.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Armed Services is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $3,301,692, of which amount—

(1) not to exceed $80,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $30,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $5,859,150, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $30,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,506,642, of which amount—

(1) not to exceed $50,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $30,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 4. COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and

the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,741,526, of which amount—

(1) not to exceed $11,667, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $496, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $4,862,013, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $850, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,079,076, of which amount—

(1) not to exceed $8,333, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $354, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 5. COMMITTEE ON THE BUDGET.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,880,615, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $5,112,126, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,187,120, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 6. COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,968,783, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $5,265,771, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,251,960, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 7. COMMITTEE ON ENERGY AND NATURAL RESOURCES.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,504,922.

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $4,443,495.

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,900,457.

SEC. 8. COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,318,050, of which amount—

(1) not to exceed $24,667, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $1,167, may be expended for the training of the professional staff of

such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $4,108,958, of which amount—

(1) not to exceed $8,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $2,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,756,412, of which amount—

(1) not to exceed $3,333, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $833, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 9. COMMITTEE ON FINANCE.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $3,230,940, of which amount—

(1) not to exceed $17,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $5,833, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $5,729,572, of which amount—

(1) not to exceed $30,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $10,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,449,931, of which amount—

(1) not to exceed $12,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,167, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 10. COMMITTEE ON FOREIGN RELATIONS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Foreign Relations is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,495,457, of which amount—

(1) not to exceed $45,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $4,427,295, of which amount—

(1) not to exceed $45,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,893,716, of which amount—

(1) not to exceed $45,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 11. COMMITTEE ON GOVERNMENTAL AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $4,380,936, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $7,771,451, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $3,323,832, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(e) INVESTIGATIONS.—

(1) IN GENERAL.—The committee, or any duly authorized subcommittee of the committee, is authorized to study or investigate—

(A) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public;

(B) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(C) organized criminal activity which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions and the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activity have infiltrated lawful business enterprise, and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against such practices or activities;

(D) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety; including but not limited to investment fraud schemes, commodity and security fraud, computer fraud, and the use of offshore banking and corporate facilities to carry out criminal objectives;

(E) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(i) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(ii) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge and talents;

(iii) the adequacy of present intergovernmental relations between the United States and international organizations principally concerned with national security of which the United States is a member; and

(iv) legislative and other proposals to improve these methods, processes, and relationships;

(F) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(i) the collection and dissemination of accurate statistics on fuel demand and supply;

(ii) the implementation of effective energy conservation measures;

(iii) the pricing of energy in all forms;

(iv) coordination of energy programs with State and local government;

(v) control of exports of scarce fuels;

(vi) the management of tax, import, pricing, and other policies affecting energy supplies;

(vii) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(viii) the allocation of fuels in short supply by public and private entities;

(ix) the management of energy supplies owned or controlled by the Government;

(x) relations with other oil producing and consuming countries;

(xi) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(xii) research into the discovery and development of alternative energy supplies; and

(G) the efficiency and economy of all branches and functions of Government with particular references to the operations and management of Federal regulatory policies and programs.

(2) EXTENT OF INQUIRIES.—In carrying out the duties provided in paragraph (1), the inquiries of this committee or any subcommittee of the committee shall not be construed to be limited to the records, functions, and operations of any particular branch of the Government and may extend to the records and activities of any persons, corporation, or other entity.

(3) SPECIAL COMMITTEE AUTHORITY.—For the purposes of this subsection, the committee, or any duly authorized subcommittee of the committee, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 2001, through February 28, 2003, is authorized, in its, his, or their discretion—

(A) to require by subpoena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents;

(B) to hold hearings;

(C) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate;

(D) to administer oaths; and

(E) to take testimony, either orally or by sworn statement, or, in the case of staff members of the Committee and the Permanent Subcommittee on Investigations, by deposition in accordance with the Committee Rules of Procedure.

(4) AUTHORITY OF OTHER COMMITTEES.—Nothing contained in this subsection shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946.

(5) SUBPOENA AUTHORITY.—All subpoenas and related legal processes of the committee and its subcommittee authorized under S. Res. 189, agreed to September 29, 1999 (106th Congress) are authorized to continue.

SEC. 12. COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Health, Education, Labor, and Pensions is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $3,895,623, of which amount—

(1) not to exceed $32,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $25,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $6,910,215, of which amount—

(1) not to exceed $32,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $25,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,955,379, of which amount—

(1) not to exceed $32,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $25,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 13. COMMITTEE ON RULES AND ADMINISTRATION.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,183,041, of which amount—

(1) not to exceed $30,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $6,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $2,099,802, of which amount—

(1) not to exceed $50,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $10,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $898,454, of which amount—

(1) not to exceed $21,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,200, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 14. COMMITTEE ON SMALL BUSINESS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Small Business is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,119,973, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $1,985,266, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $848,624, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 15. COMMITTEE ON VETERANS' AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,022,752, of which amount—

(1) not to exceed $59,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $5,900, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $1,814,368, of which amount—

(1) not to exceed $100,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $10,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $776,028, of which amount—

(1) not to exceed $42,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,200, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 16. SPECIAL COMMITTEE ON AGING.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions imposed by section 104 of S. Res. 4, agreed to February 4, 1977, (Ninety-fifth Congress), and in exercising the authority conferred on it by such section, the Special Committee on Aging is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,240,422, of which amount—

(1) not to exceed $117,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $5,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $2,199,621, of which amount—

(1) not to exceed $200,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $5,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $940,522, of which amount—

(1) not to exceed $85,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $5,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 17. SELECT COMMITTEE ON INTELLIGENCE.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under S. Res. 400, agreed to May 19, 1976 (94th Congress), in accordance with its jurisdiction under section 3(a) of that resolution, including holding hearings, reporting such hearings, and making investigations as authorized by section 5 of that resolution, the Select Committee on Intelligence is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,859,933, of which amount not to exceed $37,917, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $3,298,074, of which amount not to exceed $65,000, may be expended for the procurement of the services of individual consultants, or

organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,410,164, of which amount not to exceed $27,083, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946).

SEC. 18. COMMITTEE ON INDIAN AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions imposed by section 105 of S. Res. 4, agreed to February 4, 1977 (95th Congress), and in exercising the authority conferred on it by that section, the Committee on Indian Affairs is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $970,754, of which amount not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $1,718,989, of which amount not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $734,239, of which amount not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 19. SPECIAL RESERVE.

(a) ESTABLISHMENT.—Within the funds in the account ''Expenses of Inquiries and Investigations'' appropriated by the legislative branch appropriation Acts for fiscal years 2001, 2002, and 2003, there is authorized to be established a special reserve to be available to any committee funded by this resolution as provided in subsection (b) of which—

(1) an amount not to exceed $2,000,000, shall be available for the period March 1, 2001, through September 30, 2001; and

(2) an amount not to exceed $3,700,000, shall be available for the period October 1, 2001, through September 30, 2002; and

(3) an amount not to exceed $1,600,000, shall be available for the period October 1, 2002, through February 28, 2003.

(b) AVAILABILITY.—The special reserve authorized in subsection (a) shall be available to any committee—

(1) on the basis of special need to meet unpaid obligations incurred by that committee during the periods referred to in paragraphs (1) and (2) of subsection (a); and

(2) at the request of a Chairman and Ranking Member of that committee subject to the approval of the Chairman and Ranking Member of the Committee on Rules and Administration.

SENATE RESOLUTION 51—AUTHORIZING EXPENDITURES BY THE COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. THOMPSON submitted the following resolution; from the Committee on Governmental Affairs; which was referred to the Committee on Rules and Administration:

S. RES. 51

Resolved,

SECTION 1. COMMITTEE ON GOVERNMENTAL AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Governmental Affairs (referred to in this resolution as the ''committee'') is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $4,380,936, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of the committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $7,771,451, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of the committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $3,323,832, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of the committee (under procedures specified by section 202(j) of that Act).

SEC. 2. REPORTING LEGISLATION.

The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 2003.

SEC. 3. EXPENSES; AGENCY CONTRIBUTIONS; AND INVESTIGATIONS.

(a) EXPENSES OF THE COMMITTEE.—

(1) IN GENERAL.—Except as provided in paragraph (2), any expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

(2) VOUCHERS NOT REQUIRED.—Vouchers shall not be required for—

(A) the disbursement of salaries of employees of the committee who are paid at an annual rate;

(B) the payment of telecommunications expenses provided by the Office of the Sergeant at Arms and Doorkeeper;

(C) the payment of stationery supplies purchased through the Keeper of Stationery;

(D) payments to the Postmaster of the Senate;

(E) the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper;

(F) the payment of Senate Recording and Photographic Services; or

(G) for payment of franked and mass mail costs by the Sergeant at Arms and Doorkeeper, United States Senate.

(b) AGENCY CONTRIBUTIONS.—There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee for the period March 1, 2001, through September 30, 2001, for the period October 1, 2001, through September 30, 2002, and for the period October 1, 2002, through February 28, 2003, to be paid from the appropriations account for ''Expenses of Inquiries and Investigations'' of the Senate.

(c) INVESTIGATIONS.—

(1) IN GENERAL.—The committee, or any duly authorized subcommittee of the committee, is authorized to study or investigate—

(A) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public;

(B) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(C) organized criminal activity which may operate in or otherwise utilize the facilities of interstate or international commerce in

furtherance of any transactions and the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activity have infiltrated lawful business enterprise, and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against such practices or activities;

(D) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety; including but not limited to investment fraud schemes, commodity and security fraud, computer fraud, and the use of offshore banking and corporate facilities to carry out criminal objectives;

(E) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(i) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(ii) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge and talents;

(iii) the adequacy of present intergovernmental relations between the United States and international organizations principally concerned with national security of which the United States is a member; and

(iv) legislative and other proposals to improve these methods, processes, and relationships;

(F) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(i) the collection and dissemination of accurate statistics on fuel demand and supply;

(ii) the implementation of effective energy conservation measures;

(iii) the pricing of energy in all forms;

(iv) coordination of energy programs with State and local government;

(v) control of exports of scarce fuels;

(vi) the management of tax, import, pricing, and other policies affecting energy supplies;

(vii) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(viii) the allocation of fuels in short supply by public and private entities;

(ix) the management of energy supplies owned or controlled by the Government;

(x) relations with other oil producing and consuming countries;

(xi) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(xii) research into the discovery and development of alternative energy supplies; and

(G) the efficiency and economy of all branches and functions of Government with particular references to the operations and management of Federal regulatory policies and programs.

(2) EXTENT OF INQUIRIES.—In carrying out the duties provided in paragraph (1), the inquiries of this committee or any subcommittee of the committee shall not be construed to be limited to the records, functions, and operations of any particular branch of the Government and may extend to the records and activities of any persons, corporation, or other entity.

(3) SPECIAL COMMITTEE AUTHORITY.—For the purposes of this subsection, the committee, or any duly authorized subcommittee of the committee, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 2001, through February 28, 2003, is authorized, in its, his, or their discretion—

(A) to require by subpoena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents;

(B) to hold hearings;

(C) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate;

(D) to administer oaths; and

(E) to take testimony, either orally or by sworn statement, or, in the case of staff members of the Committee and the Permanent Subcommittee on Investigations, by deposition in accordance with the Committee Rules of Procedure.

(4) AUTHORITY OF OTHER COMMITTEES.—Nothing contained in this subsection shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946.

(5) SUBPOENA AUTHORITY.—All subpoenas and related legal processes of the committee and its subcommittee authorized under S. Res. 189, agreed to September 29, 1999 (106th Congress) are authorized to continue.

SENATE RESOLUTION 52—AUTHORIZING EXPENDITURES BY THE COMMITTEE ON VETERANS' AFFAIRS

Mr. SPECTER submitted the following resolution; from the Committee on Veterans' Affairs; which was referred to the Committee on Rules and Administration:

S. RES. 52

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 2001, through September 30, 2001; October 1, 2001, through September 30, 2002; and October 1, 2002, through February 28, 2003, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable or non-reimbursable basis the services of personnel of any such department or agency.

SEC. 2. (a) The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this resolution shall not exceed $1,022,752, of which amount (1) not to exceed $59,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $5,900 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) For the period October 1, 2001, through September 30, 2002, expenses of the committee under this resolution shall not exceed $1,814,368, of which amount (1) not to exceed $100,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $10,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(c) For the period October 1, 2002, through February 28, 2003, expenses of the committee under this resolution shall not exceed $776,028, of which amount (1) not to exceed $42,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $4,200 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its findings, together with such recommendation for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 2002, and February 28, 2003, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for (1) the disbursement of salaries of employees paid at an annual rate, or (2) for the payment of telecommunications provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (3) for the payment stationery supplies purchased through the Keeper of Stationery, United States Senate, or (4) for payments to the Postmaster, United States Senate, or (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services, or (7) for payment of franked and mass mail costs by the Sergeant at Arms and Doorkeeper, United States Senate.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from March 1, 2001, through September 30, 2001; October 1, 2001, through September 30, 2002; and October 1, 2002, through February 28, 2003, to be paid from the appropriations account for ''Expenses of Inquiries and Investigations.''

SENATE RESOLUTION 53—AUTHORIZING EXPENDITURES BY THE COMMITTEE ON THE JUDICIARY

Mr. HATCH submitted the following resolution; from the Committee on the Judiciary; which was referred to the Committee on Rules and Administration:

S. RES. 53

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 2001, through September 30, 2001, October 1, 2001, through September 30, 2002; and October 1, 2002, through February 28, 2003, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable or non-reimbursable basis the services of personnel of any such department or agency.

SEC. 2(a). The expenses of the committee for the period of March 1, 2001, through September 30, 2001, under this resolution shall not exceed $4,230,605, of which amount (1) not to exceed $200,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $20,000 may be expended for the training of the professional staff of such committee (Under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(B) For the period October 1, 2001, through September 30, 2002, expenses of the committee under this resolution shall not exceed $7,507,831, of which amount (1) not to exceed $200,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $20,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1936).

(C) For the period October 1, 2002, through February 28, 2003, expenses of the committee under this resolution shall not exceed $3,212,052, of which amount (1) not to exceed $200,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $20,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The Committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 28, 2003, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee except that vouchers shall not be required (1) for the disbursement of salaries of employees paid at an annual rate, or (2) for the payment of telecommunications provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (5) for the payment of metered charges on copying equipment provided by the Office of the Sergeant at Arms and Doorkeeper, United States Senate, or (6) for the payment of Senate Recording and Photographic Services, or (7) for payment of franked and mass mail costs by the Sergeant at Arms and Doorkeeper, United States Senate.

SEC. 5. There authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from March 1, 2001, through September 30, 2001, October 1, 2001 through September 30, 2002; and October 1, 2002 through February 28, 2003, to be paid from the Appropriations account for ''Expenses of Inquiries and Investigations.''

SENATE RESOLUTION 54—AUTHORIZING EXPENDITURES BY THE COMMITTEES OF THE SENATE FOR THE PERIODS MARCH 1, 2001, THROUGH SEPTEMBER 30, 2001, OCTOBER 1, 2001, THROUGH SEPTEMBER 30, 2002, AND OCTOBER 1, 2002, THROUGH FEBRUARY 28, 2003.

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to.

S. RES. 54

Resolved,

SECTION 1. AGGREGATE AUTHORIZATION.

(a) IN GENERAL.—For purposes of carrying out the powers, duties, and functions under the Standing Rules of the Senate, and under the appropriate authorizing resolutions of the Senate there is authorized for the period March 1, 2001, through September 30, 2001, in the aggregate of $44,140,402, for the period October 1, 2001, through September 30, 2002, in the aggregate of $78,295,919, and for the period October 1, 2002, through February 28, 2003, in the aggregate of $33,485,138, in accordance with the provisions of this resolution, for standing committees of the Senate, the Special Committee on Aging, the Select Committee on Intelligence, and the Committee on Indian Affairs.

(b) AGENCY CONTRIBUTIONS.—There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committees for the period March 1, 2001, through September 30, 2001, for the period October 1, 2001, through September 30, 2002, and for the period October 1, 2002, through February 28, 2003, to be paid from the appropriations account for ''Expenses of Inquiries and Investigations'' of the Senate.

SEC. 2. COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Agriculture, Nutrition, and Forestry is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,794,378, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $3,181,922, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,360,530, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 3. COMMITTEE ON ARMED SERVICES.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Armed Services is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $3,301,692, of which amount—

(1) not to exceed $80,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $30,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $5,859,150, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $30,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,506,642, of which amount—

(1) not to exceed $50,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $30,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 4. COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,741,526, of which amount—

(1) not to exceed $11,667, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $496, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $4,862,013, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $850, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,079,076, of which amount—

(1) not to exceed $8,333, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $354, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 5. COMMITTEE ON THE BUDGET.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraph 1 of rule XXVI of the Standing Rules of the Senate, the Committee on the Budget is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,880,615, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $5,112,126, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,187,120, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 6. COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Commerce, Science, and Transportation is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,968,783, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $5,265,771, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,251,960, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 7. COMMITTEE ON ENERGY AND NATURAL RESOURCES.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Energy and Natural Resources is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,504,922.

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the

period October 1, 2001, through September 30, 2002, under this section shall not exceed $4,443,495.

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,900,457.

SEC. 8. COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Environment and Public Works is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,318,050, of which amount—

(1) not to exceed $24,667, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $1,167, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $4,108,958, of which amount—

(1) not to exceed $8,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $2,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,756,412, of which amount—

(1) not to exceed $3,333, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $833, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 9. COMMITTEE ON FINANCE.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Finance is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $3,230,940, of which amount—

(1) not to exceed $17,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $5,833, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $5,729,572, of which amount—

(1) not to exceed $30,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $10,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,449,931, of which amount—

(1) not to exceed $12,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,167, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 10. COMMITTEE ON FOREIGN RELATIONS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Foreign Relations is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $2,495,457, of which amount—

(1) not to exceed $45,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $4,427,295, of which amount—

(1) not to exceed $45,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,893,716, of which amount—

(1) not to exceed $45,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 11. COMMITTEE ON GOVERNMENTAL AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Governmental Affairs is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $4,380,936, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $7,771,451, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $3,323,832, of which amount—

(1) not to exceed $75,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(e) INVESTIGATIONS.—

(1) IN GENERAL.—The committee, or any duly authorized subcommittee of the committee, is authorized to study or investigate—

(A) the efficiency and economy of operations of all branches of the Government including the possible existence of fraud, misfeasance, malfeasance, collusion, mismanagement, incompetence, corruption, or unethical practices, waste, extravagance, conflicts of interest, and the improper expenditure of Government funds in transactions, contracts, and activities of the Government or of Government officials and employees and any and all such improper practices between Government personnel and corporations, individuals, companies, or persons affiliated therewith, doing business with the Government; and the compliance or noncompliance of such corporations, companies, or individuals or other entities with the rules, regulations, and laws governing the various governmental agencies and its relationships with the public;

(B) the extent to which criminal or other improper practices or activities are, or have been, engaged in the field of labor-management relations or in groups or organizations of employees or employers, to the detriment of interests of the public, employers, or employees, and to determine whether any changes are required in the laws of the United States in order to protect such interests against the occurrence of such practices or activities;

(C) organized criminal activity which may operate in or otherwise utilize the facilities of interstate or international commerce in furtherance of any transactions and the manner and extent to which, and the identity of the persons, firms, or corporations, or other entities by whom such utilization is being made, and further, to study and investigate the manner in which and the extent to which persons engaged in organized criminal activity have infiltrated lawful business enterprise, and to study the adequacy of Federal laws to prevent the operations of organized crime in interstate or international commerce; and to determine whether any changes are required in the laws of the United States in order to protect the public against such practices or activities;

(D) all other aspects of crime and lawlessness within the United States which have an impact upon or affect the national health, welfare, and safety; including but not limited to investment fraud schemes, commodity and security fraud, computer fraud, and the use of offshore banking and corporate facilities to carry out criminal objectives;

(E) the efficiency and economy of operations of all branches and functions of the Government with particular reference to—

(i) the effectiveness of present national security methods, staffing, and processes as tested against the requirements imposed by the rapidly mounting complexity of national security problems;

(ii) the capacity of present national security staffing, methods, and processes to make full use of the Nation's resources of knowledge and talents;

(iii) the adequacy of present intergovernmental relations between the United States and international organizations principally concerned with national security of which the United States is a member; and

(iv) legislative and other proposals to improve these methods, processes, and relationships;

(F) the efficiency, economy, and effectiveness of all agencies and departments of the Government involved in the control and management of energy shortages including, but not limited to, their performance with respect to—

(i) the collection and dissemination of accurate statistics on fuel demand and supply;

(ii) the implementation of effective energy conservation measures;

(iii) the pricing of energy in all forms;

(iv) coordination of energy programs with State and local government;

(v) control of exports of scarce fuels;

(vi) the management of tax, import, pricing, and other policies affecting energy supplies;

(vii) maintenance of the independent sector of the petroleum industry as a strong competitive force;

(viii) the allocation of fuels in short supply by public and private entities;

(ix) the management of energy supplies owned or controlled by the Government;

(x) relations with other oil producing and consuming countries;

(xi) the monitoring of compliance by governments, corporations, or individuals with the laws and regulations governing the allocation, conservation, or pricing of energy supplies; and

(xii) research into the discovery and development of alternative energy supplies; and

(G) the efficiency and economy of all branches and functions of Government with particular references to the operations and management of Federal regulatory policies and programs.

(2) EXTENT OF INQUIRIES.—In carrying out the duties provided in paragraph (1), the inquiries of this committee or any subcommittee of the committee shall not be construed to be limited to the records, functions, and operations of any particular branch of the Government and may extend to the records and activities of any persons, corporation, or other entity.

(3) SPECIAL COMMITTEE AUTHORITY.—For the purposes of this subsection, the committee, or any duly authorized subcommittee of the committee, or its chairman, or any other member of the committee or subcommittee designated by the chairman, from March 1, 2001, through February 28, 2003, is authorized, in its, his, or their discretion—

(A) to require by subpoena or otherwise the attendance of witnesses and production of correspondence, books, papers, and documents;

(B) to hold hearings;

(C) to sit and act at any time or place during the sessions, recess, and adjournment periods of the Senate;

(D) to administer oaths; and

(E) to take testimony, either orally or by sworn statement, or, in the case of staff members of the Committee and the Permanent Subcommittee on Investigations, by deposition in accordance with the Committee Rules of Procedure.

(4) AUTHORITY OF OTHER COMMITTEES.—Nothing contained in this subsection shall affect or impair the exercise of any other standing committee of the Senate of any power, or the discharge by such committee of any duty, conferred or imposed upon it by the Standing Rules of the Senate or by the Legislative Reorganization Act of 1946.

(5) SUBPOENA AUTHORITY.—All subpoenas and related legal processes of the committee and its subcommittee authorized under S. Res. 189, agreed to September 29, 1999 (106th Congress) are authorized to continue.

SEC. 12. COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Health, Education, Labor, and Pensions is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $3,895,623, of which amount—

(1) not to exceed $32,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $25,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $6,910,215, of which amount—

(1) not to exceed $32,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $25,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $2,955,379, of which amount—

(1) not to exceed $32,500, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $25,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 13. COMMITTEE ON THE JUDICIARY.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on the Judiciary is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $4,230,605, of which amount—

(1) not to exceed $200,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $7,507,831, of which amount—

(1) not to exceed $200,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $3,212,052, of which amount—

(1) not to exceed $200,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 14. COMMITTEE ON RULES AND ADMINISTRATION.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Rules and Administration is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,183,041, of which amount—

(1) not to exceed $30,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $6,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $2,099,802, of which amount—

(1) not to exceed $50,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $10,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $898,454, of which amount—

(1) not to exceed $21,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,200, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 15. COMMITTEE ON SMALL BUSINESS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Small Business is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,119,973, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $1,985,266, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $848,624, of which amount—

(1) not to exceed $20,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $20,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 16. COMMITTEE ON VETERANS' AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,022,752, of which amount—

(1) not to exceed $59,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $5,900, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $1,814,368, of which amount—

(1) not to exceed $100,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))); and

(2) not to exceed $10,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $776,028, of which amount—

(1) not to exceed $42,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $4,200, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 17. SPECIAL COMMITTEE ON AGING.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions imposed by section 104 of S. Res. 4, agreed to February 4, 1977, (Ninety-fifth Congress), and in exercising the authority conferred on it by such section, the Special Committee on Aging is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,240,422, of which amount—

(1) not to exceed $117,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $5,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $2,199,621, of which amount—

(1) not to exceed $200,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $5,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $940,522, of which amount—

(1) not to exceed $85,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946); and

(2) not to exceed $5,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 18. SELECT COMMITTEE ON INTELLIGENCE.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions under S. Res. 400, agreed to May 19, 1976 (94th Congress), in accordance with its jurisdiction under section 3(a) of that resolution, including holding hearings, reporting such hearings, and making investigations as authorized by section 5 of that resolution, the Select Committee on Intelligence is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $1,859,933, of which amount not to exceed $37,917, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $3,298,074, of which amount not to exceed $65,000, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i))).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $1,410,164, of which amount not to exceed $27,083, may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946).

SEC. 19. COMMITTEE ON INDIAN AFFAIRS.

(a) GENERAL AUTHORITY.—In carrying out its powers, duties, and functions imposed by section 105 of S. Res. 4, agreed to February 4, 1977 (95th Congress), and in exercising the authority conferred on it by that section, the Committee on Indian Affairs is authorized from March 1, 2001, through February 28, 2003, in its discretion—

(1) to make expenditures from the contingent fund of the Senate;

(2) to employ personnel; and

(3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or nonreimbursable, basis the services of personnel of any such department or agency.

(b) EXPENSES FOR PERIOD ENDING SEPTEMBER 30, 2001.—The expenses of the committee for the period March 1, 2001, through September 30, 2001, under this section shall not exceed $970,754, of which amount not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(c) EXPENSES FOR FISCAL YEAR 2002 PERIOD.—The expenses of the committee for the period October 1, 2001, through September 30, 2002, under this section shall not exceed $1,718,989, of which amount not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

(d) EXPENSES FOR PERIOD ENDING FEBRUARY 28, 2003.—For the period October 1, 2002, through February 28, 2003, expenses of the committee under this section shall not exceed $734,239, of which amount not to exceed $1,000, may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of that Act).

SEC. 20. SPECIAL RESERVE.

(a) ESTABLISHMENT.—Within the funds in the account ''Expenses of Inquiries and Investigations'' appropriated by the legislative branch appropriation Acts for fiscal years 2001, 2002, and 2003, there is authorized to be established a special reserve to be available to any committee funded by this resolution as provided in subsection (b) of which—

(1) an amount not to exceed $2,000,000, shall be available for the period March 1, 2001, through September 30, 2001; and

(2) an amount not to exceed $3,700,000, shall be available for the period October 1, 2001, through September 30, 2002; and

(3) an amount not to exceed $1,600,000, shall be available for the period October 1, 2002, through February 28, 2003.

(b) AVAILABILITY.—The special reserve authorized in subsection (a) shall be available to any committee—

(1) on the basis of special need to meet unpaid obligations incurred by that committee during the periods referred to in paragraphs (1) and (2) of subsection (a); and

(2) at the request of a Chairman and Ranking Member of that committee subject to the approval of the Chairman and Ranking Member of the Committee on Rules and Administration.

SENATE RESOLUTION 55—DESIGNATING THE THIRD WEEK OF APRIL AS ''NATIONAL SHAKEN BABY SYNDROME AWARENESS WEEK'' FOR THE YEAR 2001 AND ALL FUTURE YEARS

Mr. WELLSTONE submitted the following resolution; which was referred to the Committee on the Judiciary.

S. RES. 55

Whereas the month of April has been designated National Child Abuse Prevention Month as an annual tradition initiated in 1979 by former President Jimmy Carter;

Whereas the most recent Government figures show that almost 1,000,000 children were victims of abuse and neglect in 1998, causing unspeakable pain and suffering to our most vulnerable citizens;

Whereas among the children who are victims of abuse and neglect, more than 3 children die each day in this country;

Whereas the rate of child fatalities resulting from child abuse and neglect in 1998 for children aged 1 and younger accounted for 40 percent of the fatalities, and for children aged 5 and younger accounted for 77.5 percent of the fatalities;

Whereas head trauma is the leading cause of death of abused children, including the trauma known as Shaken Baby Syndrome;

Whereas Shaken Baby Syndrome is a totally preventable form of child abuse, caused by a caregiver losing control and shaking a baby that is usually less than 1 year of age;

Whereas Shaken Baby Syndrome can result in loss of vision, brain damage, paralysis, seizures, or death;

Whereas an estimated 3,000 children are diagnosed with Shaken Baby Syndrome every year, with thousands more misdiagnosed and undetected;

Whereas Shaken Baby Syndrome often results in permanent, irreparable brain damage or death to an infant, and more than $1,000,000 in medical costs to care for a single, disabled child in just the first few years of life;

Whereas the most effective solution for ending Shaken Baby Syndrome is to prevent such abuse, and it is clear that the minimal costs of education and prevention programs

may prevent enormous medical and disability costs and untold grief for many families;

Whereas prevention programs have been shown to raise awareness and provide critically important information about Shaken Baby Syndrome to parents, caregivers, daycare workers, child protection employees, law enforcement personnel, health care professionals, and legal representatives;

Whereas prevention of Shaken Baby Syndrome is supported by groups such as the Shaken Baby Alliance, an organization which began with 3 mothers of children who had been diagnosed with Shaken Baby Syndrome, and whose mission is to educate the general public and professionals about Shaken Baby Syndrome and to increase support for victims and victim families in the health care and criminal justice systems;

Whereas child abuse prevention programs and ''National Shaken Baby Syndrome Awareness Week'' are supported by the Shaken Baby Alliance, Children's Defense Fund, American Academy of Pediatrics, American Medical Association, Child Welfare League of America, Prevent Child Abuse America, Brain Injury Association, National Child Abuse Coalition, National Exchange Club Foundation, American Humane Association, Center for Child Protection and Family Support, Inc., National Association Of Children's Hospitals and Related Institutions, and many other organizations including the National Basketball Association, which is sponsoring a series of ''NBA Child Abuse Prevention Awareness Night 2001'' events to generate public awareness about the issue of child abuse and neglect during National Child Abuse Prevention Month 2001;

Whereas a year 2000 survey by Prevent Child Abuse America shows that ½ of all Americans believe child abuse and neglect is the most important issue facing this country compared to other public health issues; and

Whereas Congress strongly supports efforts to protect children from abuse and neglect: Now, therefore, be it

Resolved, That the Senate—

(1) designates the third week of April, as ''National Shaken Baby Syndrome Awareness Week'' for the year 2001 and all future years; and

(2) requests that the President issue a proclamation urging the people of the United States to remember the victims of Shaken Baby Syndrome and participate in educational programs to help prevent Shaken Baby Syndrome.

Mr. WELLSTONE. Mr. President, I rise today to introduce a resolution to proclaim the third week of April each year as ''Shaken Baby Syndrome Awareness Week''. I would like to recognize the many groups, particularly the Shaken Baby Alliance, who support this effort to increase awareness of one of the most unspeakable forms of child abuse, one that results in the death or lifelong disability of thousands of children each year.

We must recognize child abuse and neglect as the public health problem it is, one that is linked with a host of other problems facing our country, including poverty and drug and alcohol addiction, and one that needs the comprehensive approach of our entire public health system to solve. For the past twenty years, the President of the United States has designated one month each year as National Child Abuse Prevention Month to increase awareness of the devastating harm done to our children by abuse and neglect. In 2001, April will be National Child Abuse Prevention Month.

The extent of the tragedy that is child abuse is well-documented. The most recent government figures show that almost 1 million children were victims of abuse in 1998. Each day, three of these children die as a result of this abuse. The U.S. Advisory Board on Child Abuse and Neglect reported in ''A Nation's Shame: Fatal Child Abuse and Neglect in the United States,'' that a more realistic estimate of annual child deaths as a result of abuse and neglect, both known and unknown to Child Protective Service agencies, is closer to 2,000, or approximately five children per day. The latest data showed that in 1998, the rate of child fatalities resulting from child abuse and neglect in 1998 for children aged 1 and younger accounted for 40 percent of the fatalities. For children aged 5 and younger child abuse and neglect accounted for 78 percent of the fatalities.

Because of the problems of under-reporting and errors in diagnoses, the National Center for Prosecution of Child Abuse believes that the number of child deaths from maltreatment per year may be as high as 5,000. In most cases, the child's death is the result of head trauma, including the trauma known as Shaken Baby Syndrome, SBS. Shaken Baby Syndrome results from a caregiver losing control and shaking a baby, usually an infant who is less than 1 year old. This severe shaking can kill the baby, or it can cause loss of vision, brain damage, paralysis, and seizures, resulting in lifelong disabilities. This totally preventable form of child abuse causes untold grief for many families whose child dies, or is left with permanent, irreparable brain damage. The care for the child's resulting disability is estimated at more than $1 million in medical costs during just the first few years of the baby's life.

The most effective solution to ending Shaken Baby Syndrome is to prevent such abuse, and it is clear that the minimal costs of educational and prevention programs may help to protect our young children and stop this tragedy from occurring. In 1995, the U.S. Advisory Board on Child Abuse and Neglect recommended a universal approach to the prevention of child fatalities that would reach out to all families through the implementation of several key strategies. Such efforts began by providing services such as home visitation by trained professionals or paraprofessionals, hospital-linked outreach to parents of infants and toddlers, community-based programs designed for the specific needs of neighborhoods, and effective public education campaigns.

Child abuse prevention programs have been shown to raise awareness and provide critically important information about Shaken Baby Syndrome and other forms of abuse to parents, caregivers, day care workers, child protection employees, law enforcement personnel, health care professionals, and legal representatives. Many prevention programs now include not only information about the dangers of shaking babies and how to cope with crying, but also address issues of anger management, stress reduction, appropriate expectations of children, and specific information on why shaking or impact can interrupt early brain development. Education programs for judges and others in the judicial system are also beneficial for SBS criminal cases. Ultimately, the education of all will help us reach a critical goal of zero tolerance toward shaking, a goal that will help to save children's lives.

The prevention of Shaken Baby Syndrome is supported by groups such as the Shaken Baby Alliance, an organization which began with 3 mothers of children who had been diagnosed with Shaken Baby Syndrome, and whose mission is to educate the general public and professionals about Shaken Baby Syndrome, and to increase support for victims and victim families in the health care and criminal justice systems. In my own state of Minnesota, the Shaken Baby Alliance is represented by the outstanding efforts of Kim Kang, whose daughter Rachel was diagnosed in 1995 with Shaken Baby Syndrome, after being violently shaken by a day care provider. My heart goes out to her family, and to all of the families who deal with the results of Shaken Baby Syndrome and all other forms of child abuse and neglect.

Child abuse and neglect is a scourge on our country, and we must do more to prevent the damage done to our children, our families, and our society as a result of child abuse, and to help those who suffer its consequences. Shaken Baby Syndrome Awareness Week is supported by the Shaken Baby Alliance, Children's Defense Fund, American Academy of Pediatrics, American Medical Association, Child Welfare League of America, Prevent Child Abuse America, Brain Injury Association, National Child Abuse Coalition, National Exchange Club Foundation, American Humane Association, Center for Child Protection and Family Support, Inc., National Association of Children's Hospitals and Related Institutions, and many other organizations including the National Basketball Association, which is sponsoring a series of ''NBA Child Abuse Prevention Awareness Nights 2001'' events to generate public awareness about the issue of child abuse and neglect during National Child Abuse Prevention Month 2001.

This year the Congress also has the opportunity to seriously address the

issue of child abuse and neglect by increasing the funding for prevention and training programs as part of the reauthorization of Child Abuse Prevention and Treatment Act, CAPTA. I look forward to working with my Senate and House colleagues on both sides of the aisle to direct additional resources to the prevention of abuse and neglect of our children. We must do more as a country to protect our vulnerable children from this most serious betrayal of trust, to prevent the fatalities and severe physical and psychological harm that results from such abuse, and to help those who work to end this national tragedy by providing the resources they need to do their work.

I urge the Senate to adopt this resolution designating the third week of April each year as ''Shaken Baby Syndrome Awareness Week'', and to take part in the many local and national activities and events recognizing the month of April as National Child Abuse Prevention Month.

AMENDMENTS SUBMITTED AND PROPOSED

SA 19. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill S. 420, to amend title II, United States Code, and for other purposes; which was ordered to lie on the table.

SA 20. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill S. 420, supra; which was ordered to lie on the table.

SA 21. Mrs. FEINSTEIN (for herself, Mr. JEFFORDS, and Mr. DURBIN) submitted an amendment intended to be proposed by her to the bill S. 420, supra; which was ordered to lie on the table.

SA 22. Mrs. FEINSTEIN (for herself and Mr. JEFFORDS) submitted an amendment intended to be proposed by her to the bill S. 420, supra; which was ordered to lie on the table.

SA 23. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 420, supra; which was ordered to lie on the table.

SA 24. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 420, supra; which was ordered to lie on the table.

SA 25. Mr. SCHUMER (for himself and Mr. SARBANES) proposed an amendment to the bill S. 420, supra.

SA 26. Mr. KERRY proposed an amendment to the bill S. 420, supra.

SA 27. Mrs. FEINSTEIN (for herself, Mr. JEFFORDS, and Mr. DURBIN) proposed an amendment to the bill S. 420, supra.

SA 28. Mr. BINGAMAN (for himself, Mr. DASCHLE, Mr. LEAHY, Mr. DORGAN, Mr. KENNEDY, Ms. MIKULSKI, Mr. LEVIN, Mr. DODD, Mr. SCHUMER, Mr. BREAUX, Mr. DURBIN, Mr. KERRY, Mr. DAYTON, Ms. CANTWELL, Mr. CORZINE, Mrs. CLINTON, Mr. REID, Mr. AKAKA, Mrs. CARNAHAN, Mr. ROCKEFELLER, Mr. CONRAD, Mr. WELLSTONE, Ms. LANDRIEU, Mr. KOHL, Mr. NELSON of Nebraska, Mr. REED, Mr. LIEBERMAN, Mr. BAYH, Mr. SARBANES, Ms. STABENOW, Mrs. LINCOLN, Mr. HOLLINGS, Mrs. BOXER, Mrs. MURRAY, Mr. DOMENICI, Mr. MURKOWSKI, and Ms. COLLINS) proposed an amendment to the bill S. 420, supra.

SA 29. Mr. CONRAD proposed an amendment to the bill S. 420, supra.

SA 30. Mr. KOHL (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 420, supra; which was ordered to lie on the table.

SA 31. Mr. KOHL (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 420, supra; which was ordered to lie on the table.

SA 32. Mr. SESSIONS proposed an amendment to the bill S. 420, supra.

SA 33. Mr. DORGAN (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 420, supra; which was ordered to lie on the table.

SA 34. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 420, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 19. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill S. 420, to amend title II, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 17, line 8, strike ''and the debtor's spouse combined'' and insert '', or in a joint case, the debtor and the debtor's spouse''.

SA 20. Mr. LEAHY submitted an amendment intended to be proposed by him to the bill S. 420, to amend title II, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 18, beginning on line 9, strike ''preceding the date of determination'' and insert ''ending on the last day of the calendar month immediately preceding the date of the bankruptcy filing''.

SA 21. Mrs. FEINSTEIN (for herself, Mr. JEFFORDS, and Mr. DURBIN) submitted an amendment intended to be proposed by her to the bill S. 420, to amend title II, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title XIII, add the following:

SEC. 1311. ISSUANCE OF CREDIT CARDS TO UNDERAGE CONSUMERS.

(a) APPLICATIONS BY UNDERAGE CONSUMERS.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(8) APPLICATIONS FROM UNDERAGE OBLIGORS.—

''(A) PROHIBITION ON ISSUANCE.—Except in response to a written request or application to the card issuer that meets the requirements of subparagraph (B), a card issuer may not—

''(i) issue a credit card account under an open end consumer credit plan to, or establish such an account on behalf of, an obligor who has not attained the age of 21; or

''(ii) increase the amount of credit authorized to be extended under such an account to an obligor described in clause (i).

''(B) APPLICATION REQUIREMENTS.—A written request or application to open a credit card account under an open end consumer credit plan, or to increase the amount of credit authorized to be extended under such an account, submitted by an obligor who has not attained the age of 21 as of the date of such submission, shall require—

''(i) submission by the obligor of information regarding any other credit card account under an open end consumer credit plan issued to, or established on behalf of, the obligor (other than an account established in response to a written request or application that meets the requirements of clause (ii) or (iii)), indicating that the proposed extension of credit under the account for which the written request or application is submitted would not thereby increase the total amount of credit extended to the obligor under any such account to an amount in excess of $2,500 per card (which amount shall be adjusted annually by the Board to account for any increase in the Consumer Price Index);

''(ii) the signature of a parent or guardian of that obligor indicating joint liability for debts incurred in connection with the account before the obligor attains the age of 21; or

''(iii) submission by the obligor of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.

''(C) NOTIFICATION.—A card issuer of a credit card account under an open end consumer credit plan shall notify any obligor who has not attained the age of 21 that the obligor is not eligible for an extension of credit in connection with the account unless the requirements of this paragraph are met.

''(D) LIMIT ON ENFORCEMENT.—A card issuer may not collect or otherwise enforce a debt arising from a credit card account under an open end consumer credit plan if the obligor had not attained the age of 21 at the time the debt was incurred, unless the requirements of this paragraph have been met with respect to that obligor.

''(9) PARENTAL APPROVAL REQUIRED TO INCREASE CREDIT LINES FOR ACCOUNTS FOR WHICH PARENT IS JOINTLY LIABLE.—In addition to the requirements of paragraph (8), no increase may be made in the amount of credit authorized to be extended under a credit card account under an open end credit plan for which a parent or guardian of the obligor has joint liability for debts incurred in connection with the account before the obligor attains the age of 21, unless the parent or guardian of the obligor approves, in writing, and assumes joint liability for, such increase.''.

(b) REGULATORY AUTHORITY.—The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out paragraphs (8) and (9) of section 127(c) of the Truth in Lending Act, as amended by this section.

(c) EFFECTIVE DATE.—Paragraphs (8) and (9) of section 127(c) of the Truth in Lending Act, as amended by this section, shall apply to the issuance of credit card accounts under open end consumer credit plans, and the increase of the amount of credit authorized to be extended thereunder, as described in those paragraphs, on and after the date of enactment of this Act.

SA 22. Mrs. FEINSTEIN (for herself and Mr. JEFFORDS) submitted an amendment intended to be proposed by her to the bill S. 420, to amend title II, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

At the end of Title XIII, add the following:

SEC. 1311. ISSUANCE OF CREDIT CARDS TO UNDERAGE CONSUMERS.

(a) APPLICATIONS BY UNDERAGE CONSUMERS.—Section 127(c) of the Truth in

Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(8) PARENTAL APPROVAL REQUIRED TO INCREASE CREDIT LINES FOR ACCOUNTS FOR WHICH PARENT IS JOINTLY LIABLE.—An increase may not be made in the amount of credit authorized to be extended under a credit card account under an open end credit plan for which a parent or guardian of the obligor has joint liability for debts incurred in connection with the account before the obligor attains the age of 21, unless the parent or guardian of the obligor approves, in writing, and assumes joint liability for, such increase.''.

SA 23. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 420, to amend title II, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

Strike sections 226 (relating to definitions) through 229 (relating to requirements for debt relief agencies).

Redesignate sections 230 through 232 as sections 226 through 228, respectively.

Amend the table of contents accordingly.

SA 24. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 420, to amend title II, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

On page 85, beginning on line 12, strike ''a person, other than''.

SA 25. Mr. SCHUMER (for himself and Mr. SARBANES) proposed an amendment to the bill S. 420, to amend title II, United States Code, and for other purposes; as follows:

At the end of subtitle A of title II, add the following:

SEC. 204. PRESERVATION OF CLAIMS AND DEFENSES UPON SALE OR TRANSFER OF PREDATORY LOANS.

Section 363 of title 11, United States Code, is amended by adding at the end the following:

''(p) Notwithstanding subsection (f), the sale by a trustee or transfer under a plan of reorganization of any interest in a consumer credit transaction that is subject to the Truth In Lending Act (15 U.S.C. 1601 et seq.), or a consumer credit contract as defined by the Federal Trade Commission Preservation of Claims Trade Regulation, is subject to all claims and defenses which the consumer could assert against the debtor.''.

Amend the table of contents accordingly.

SA 26. Mr. KERRY proposed an amendment to the bill S. 420, to amend title 11, United States Code, and for other purposes; as follows:

On page 187, strike lines 4 and 5.

On page 202, strike line 9 and all that follows through page 223, line 12, and insert the following:

SEC. 420. STUDY OF OPERATION OF TITLE 11, UNITED STATES CODE, WITH RESPECT TO SMALL BUSINESSES.

Not later than 2 years after the date of enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11, United States Code, and that cause certain small businesses to successfully complete cases under chapter 11 of such title;

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable;

(C) what factors, if any, would indicate the need for any additional procedures or reporting requirements for small businesses that file petitions for bankruptcy under chapter 11 of title 11, United States Code;

(D) what length of time is appropriate for small business debtors and entrepreneurs to file and confirm a reorganization plan under title 11, United States Code, including the factors considered to arrive at that conclusion; and

(E) how often a small business debtor files separate petitions for bankruptcy protection within a 2-year period; and

(2) submit a report summarizing the study required by paragraph (1) to the President pro tempore of the Senate and the Speaker of the House of Representatives, and the Committees on Small Business of the Senate and the House of Representatives.

SA 27. Mrs. FEINSTEIN (for herself, Mr. JEFFORDS, and Mr. DURBIN) proposed an amendment to the bill S. 420, to amend title II, United States Code, and for other purposes; as follows:

At the end of Title XIII, add the following:

SEC. 1311. ISSUANCE OF CREDIT CARDS TO UNDERAGE CONSUMERS.

(a) APPLICATIONS BY UNDERAGE CONSUMERS.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by adding at the end the following:

''(8) APPLICATIONS FROM UNDERAGE OBLIGORS.—

''(A) PROHIBITION ON ISSUANCE.—Except in response to a written request or application to the card issuer that meets the requirements of subparagraph (B), a card issuer may not—

''(i) issue a credit card account under an open end consumer credit plan to, or establish such an account on behalf of, an obligor who has not attained the age of 21; or

''(ii) increase the amount of credit authorized to be extended under such an account to an obligor described in clause (i).

''(B) APPLICATION REQUIREMENTS.—A written request or application to open a credit card account under an open end consumer credit plan, or to increase the amount of credit authorized to be extended under such an account, submitted by an obligor who has not attained the age of 21 as of the date of such submission, shall require—

''(i) submission by the obligor of information regarding any other credit card account under an open end consumer credit plan issued to, or established on behalf of, the obligor (other than an account established in response to a written request or application that meets the requirements of clause (ii) or (iii)), indicating that the proposed extension of credit under the account for which the written request or application is submitted would not thereby increase the total amount of credit extended to the obligor under any such account to an amount in excess of $2,500 per card (which amount shall be adjusted annually by the Board to account for any increase in the Consumer Price Index);

''(ii) the signature of a parent or guardian of that obligor indicating joint liability for debts incurred in connection with the account before the obligor attains the age of 21; or

''(iii) submission by the obligor of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account.

''(C) NOTIFICATION.—A card issuer of a credit card account under an open end consumer credit plan shall notify any obligor who has not attained the age of 21 that the obligor is not eligible for an extension of credit in connection with the account unless the requirements of this paragraph are met.

''(D) LIMIT ON ENFORCEMENT.—A card issuer may not collect or otherwise enforce a debt arising from a credit card account under an open end consumer credit plan if the obligor had not attained the age of 21 at the time the debt was incurred, unless the requirements of this paragraph have been met with respect to that obligor.

''(9) PARENTAL APPROVAL REQUIRED TO INCREASE CREDIT LINES FOR ACCOUNTS FOR WHICH PARENT IS JOINTLY LIABLE.—In addition to the requirements of paragraph (8), no increase may be made in the amount of credit authorized to be extended under a credit card account under an open end credit plan for which a parent or guardian of the obligor has joint liability for debts incurred in connection with the account before the obligor attains the age of 21, unless the parent or guardian of the obligor approves, in writing, and assumes joint liability for, such increase.''.

(b) REGULATORY AUTHORITY.—The Board of Governors of the Federal Reserve System may issue such rules or publish such model forms as it considers necessary to carry out paragraphs (8) and (9) of section 127(c) of the Truth in Lending Act, as amended by this section.

(c) EFFECTIVE DATE.—Paragraphs (8) and (9) of section 127(c) of the Truth in Lending Act, as amended by this section, shall apply to the issuance of credit card accounts under open end consumer credit plans, and the increase of the amount of credit authorized to be extended thereunder, as described in those paragraphs, on and after the date of enactment of this Act.

SA 28. Mr. BINGAMAN (for himself, Mr. DASCHLE, Mr. LEAHY, Mr. DORGAN, Mr. KENNEDY, Ms. MIKULSKI, Mr. LEVIN, Mr. DODD, Mr. SCHUMER,, Mr. BREAUX, Mr. DURBIN, Mr. KERRY, Mr. DAYTON, Ms. CANTWELL, Mr. CORZINE, Mrs. CLINTON, Mr. REID, Mr. AKAKA, Mrs. CARNAHAN, Mr. ROCKEFELLER, Mr. CONRAD, Mr. WELLSTONE, Ms. LANDRIEU, Mr. KOHL, Mr. NELSON of Nebraska, Mr. REED, Mr. LIEBERMAN, Mr. BAYH, Mr. SARBANES, Ms. STABENOW, Mrs. LINCOLN, Mr. HOLLINGS, Mrs. BOXER, Mrs. MURRAY, Mr. DOMENICI, Mr. MURKOWSKI, and Ms. COLLINS) proposed an amendment to the bill S. 420, to amend title II, United States Code, and for other purposes; as follows:

(Purpose: To increase the authorization of appropriations for low-income energy assistance, weatherization, and State energy emergency planning programs, to increase Federal energy efficiency by facilitating the use of private-sector partnerships to prevent energy and water waste, and for other purposes)

At the appropriate place in the bill, add the following:

TITLE—EMERGENCY ENERGY ASSISTANCE AND CONSERVATION MEASURES

SEC. 01. SHORT TITLE.

This title may be cited as the ''Energy Emergency Response Act of 2001''.

SEC. 02. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) high energy costs are causing hardship for families;

(2) restructured energy markets have increased the need for a higher and more consistent level of funding for low-income energy assistance programs;

(3) conservation programs implemented by the states and the low-income weatherization program reduce costs and need for additional energy supplies;

(4) energy conservation is a cornerstone of national energy security policy;

(5) the Federal Government is the largest consumer of energy in the economy of the United States; and

(6) many opportunities exist for significant energy cost savings within the Federal Government.

(b) PURPOSES.—The purposes of this title are to provide assistance to those individuals most affected by high energy prices and to promote and accelerate energy conservation investments in private and federal facilities.

SEC. 03. INCREASED FUNDING FOR LIHEAP, WEATHERIZATION AND STATE ENERGY GRANTS.

(a) LIHEAP.—(1) Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended by striking the first sentence and inserting the following: ''There are authorized to be appropriated to carry out the provisions of this title (other than section 2607A), $3,400,000,000 for each of fiscal years 2001 through 2005.''.

(2) Section 2605(b)(2) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)) is amended by adding at the end the following:

''And except that during fiscal year 2001, a State may make payments under this title to households with incomes up to and including 200 percent of the poverty level for such State;''.

(b) WEATHERIZATION ASSISTANCE.—Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended by striking ''For fiscal years 1999 through 2003 such sums as may be necessary'' and inserting: ''$310,000,000 for fiscal years 2001 and 2002, $325,000,000 for fiscal year 2003, $400,000,000 for fiscal year 2004, and $500,000,000 for fiscal year 2005.''.

(c) STATE ENERGY CONSERVATION GRANTS.—Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended by striking ''for fiscal years 1999 through 2003 such sums as may be necessary'' and inserting: ''$75,000,000 for each of fiscal years 2001 through 2005''.

SEC. 04. FEDERAL ENERGY MANAGEMENT REVIEWS.

Section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) is amended by adding at the end the following:

''(e) PRIORITY RESPONSE REVIEWS.—Each agency shall—

''(1) not later than October 1, 2001, undertake a comprehensive review of all practicable measures for—

''(A) increasing energy and water conservation, and

''(B) using renewable energy sources; and

''(2) not later than 180 days after completing the review, implement measures to achieve not less than 50 percent of the potential efficiency and renewable savings identified in the review''.

SEC. 05. COST SAVINGS FROM REPLACEMENT FACILITIES.

Section 801(a) of the National Energy Conservation Policy Act (42 U.S.C. 8287(a)) is amended by adding at the end the following:

''(3)(A) In the case of an energy savings contract or energy savings performance contract providing for energy savings through the construction and operation of one or more buildings or facilities to replace one or more existing buildings or facilities, benefits ancillary to the purpose of such contract under paragraph (1) may include savings resulting from reduced costs of operation and maintenance at such replacement buildings or facilities when compared with costs of operation and maintenance at the buildings or facilities being replaced.

''(B) Notwithstanding paragraph (2)(B), aggregate annual payments by an agency under an energy savings contract or energy savings performance contract referred to in subparagraph (A) may take into account (through the procedures developed pursuant to this section) savings resulting from reduced costs of operation and maintenance as described in subparagraph (A).''.

SEC. 06. REPEAL OF ENERGY SAVINGS PERFORMANCE CONTRACT SUNSET.

Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is repealed.

SEC. 07. ENERGY SAVINGS PERFORMANCE CONTRACT DEFINITIONS.

(a) ENERGY SAVINGS-Section 804(2) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(2)) is amended to read as follows:

''(2) The term 'energy savings' means a reduction in the cost of energy, water, or wastewater treatment from a base cost established through a methodology set forth in the contract, used by either—

''(A) an existing federally owned building or buildings or other federally owned facilities as a result of—

''(i) the lease or purchase of operating equipment, improvements, altered operation and maintenance, or technical service;

''(ii) more efficient use of existing energy sources by cogeneration or heat recovery, excluding any cogeneration process for other than a federally owned building or buildings or other federally owned facilities; or

''(iii) more efficient use of water at an existing federally owned building or buildings, in either interior or exterior applications; or

''(B) a replacement facility under section 801(a)(3).''.

(b) ENERGY SAVINGS CONTRACT.—Section 804(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(3)) is amended to read as follows:

''The terms 'energy savings contract' and 'energy savings performance contract' mean a contract which provides for—

''(A) the performance of services for the design, acquisition, installation, testing, operation, and, where appropriate, maintenance and repair, of an identified energy, water conservation, or wastewater treatment measure or series of measures at one or more locations; or

''(B) energy savings through the construction and operation of one or more buildings or facilities to replace one or more existing buildings or facilities.''.

''(c) ENERGY OR WATER CONSERVATION MEASURE.—Section 804(4) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(4)) is amended to read as follows:

''The term 'energy or water conservation measure' means—

''(A) an energy conservation measure, as defined in section 551(4)(42 U.S.C. 8259(4)); or

''(B) a water conservation measure that improves the efficiency of water use, is life cycle cost effective, and involves water conservation, water recycling or reuse, improvements in operation or maintenance efficiencies, retrofit activities or other related activities, not affecting the power generating operations at a Federally-owned hydroelectric dam.''.

SA 29. Mr. CONRAD proposed an amendment to the bill S. 420 to amend title II, United States Code, and for other purposes; as follows:

At the end of the amendment No. 20 insert the following:

TITLE ____—SOCIAL SECURITY AND MEDICARE OFF-BUDGET LOCKBOX ACT OF 2001

SEC. ____01. SHORT TITLE.

This title may be cited as the ''Social Security and Medicare Off-Budget Lockbox Act of 2001''.

SEC. ____02. STRENGTHENING SOCIAL SECURITY POINTS OF ORDER.

(a) IN GENERAL.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by inserting at the end the following:

''(g) STRENGTHENING SOCIAL SECURITY POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend section 13301 of the Budget Enforcement Act of 1990.''.

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(g),'' after ''310(d)(2),''.

(c) ENFORCEMENT IN EACH FISCAL YEAR.—The Congressional Budget Act of 1974 is amended in—

(1) section 301(a)(7) (2 U.S.C. 632(a)(7)), by striking ''for the fiscal year'' through the period and inserting ''for each fiscal year covered by the resolution''; and

(2) section 311(a)(3) (2 U.S.C. 642(a)(3)), by striking beginning with ''for the first fiscal year'' through the period and insert the following: ''for any of the fiscal years covered by the concurrent resolution.''.

SEC. ____03. MEDICARE TRUST FUND OFF-BUDGET.

(a) IN GENERAL.—

(1) GENERAL EXCLUSION FROM ALL BUDGETS.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''EXCLUSION OF MEDICARE TRUST FUND FROM ALL BUDGETS

''SEC. 316. (a) EXCLUSION OF MEDICARE TRUST FUND FROM ALL BUDGETS.—Notwithstanding any other provision of law, the receipts and disbursements of the Federal Hospital Insurance Trust Fund shall not be

counted as new budget authority, outlays, receipts, or deficit or surplus for purposes of—

''(1) the budget of the United States Government as submitted by the President;

''(2) the congressional budget; or

''(3) the Balanced Budget and Emergency Deficit Control Act of 1985.

''(b) STRENGTHENING MEDICARE POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider a concurrent resolution on the budget (or any amendment thereto or conference report thereon) or any bill, joint resolution, amendment, motion, or conference report that would violate or amend this section.''.

(2) SUPER MAJORITY REQUIREMENT.—

(A) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''316,'' after ''313,''.

(B) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''316,'' after ''313,''.

(b) EXCLUSION OF MEDICARE TRUST FUND FROM CONGRESSIONAL BUDGET.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by adding at the end the following: ''The concurrent resolution shall not include the outlays and revenue totals of the Federal Hospital Insurance Trust Fund in the surplus or deficit totals required by this subsection or in any other surplus or deficit totals required by this title.''

(c) BUDGET TOTALS.—Section 301(a) of the Congressional Budget Act of 1974 (2 U.S.C. 632(a)) is amended by inserting after paragraph (7) the following:

''(8) For purposes of Senate enforcement under this title, revenues and outlays of the Federal Hospital Insurance Trust Fund for each fiscal year covered by the budget resolution.''.

(d) BUDGET RESOLUTIONS.—Section 301(i) of the Congressional Budget Act of 1974 (2 U.S.C. 632(i)) is amended by—

(1) striking ''SOCIAL SECURITY POINT OF ORDER.—It shall'' and inserting ''SOCIAL SECURITY AND MEDICARE POINTS OF ORDER.—

''(1) SOCIAL SECURITY.—It shall''; and

(2) inserting at the end the following:

''(2) MEDICARE.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget (or amendment, motion, or conference report on the resolution) that would cause a decrease in surpluses or an increase in deficits of the Federal Hospital Insurance Trust Fund in any of the fiscal years covered by the concurrent resolution.''.

(e) MEDICARE FIREWALL.—Section 311(a) of the Congressional Budget Act of 1974 (2 U.S.C. 642(a)) is amended by adding after paragraph (3), the following:

''(4) ENFORCEMENT OF MEDICARE LEVELS IN THE SENATE.—After a concurrent resolution on the budget is agreed to, it shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a decrease in surpluses or an increase in deficits of the Federal Hospital Insurance Trust Fund in any year relative to the levels set forth in the applicable resolution.''.

(f) BASELINE TO EXCLUDE HOSPITAL INSURANCE TRUST FUND.—Section 257(b)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''shall be included in all'' and inserting ''shall not be included in any''.

(g) MEDICARE TRUST FUND EXEMPT FROM SEQUESTERS.—Section 255(g)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following:

''Medicare as funded through the Federal Hospital Insurance Trust Fund.''.

(h) BUDGETARY TREATMENT OF HOSPITAL INSURANCE TRUST FUND.—Section 710(a) of the Social Security Act (42 U.S.C. 911(a)) is amended—

(1) by striking ''and'' the second place it appears and inserting a comma; and

(2) by inserting after ''Federal Disability Insurance Trust Fund'' the following: '', Federal Hospital Insurance Trust Fund''.

SEC. ___04. PREVENTING ON-BUDGET DEFICITS.

(a) POINTS OF ORDER TO PREVENT ON-BUDGET DEFICITS.—Section 312 of the Congressional Budget Act of 1974 (2 U.S.C. 643) is amended by adding at the end the following:

''(h) POINTS OF ORDER TO PREVENT ON-BUDGET DEFICITS.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or conference report thereon or amendment thereto, that would cause or increase an on-budget deficit for any fiscal year.

''(2) SUBSEQUENT LEGISLATION.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(A) the enactment of that bill or resolution as reported;

''(B) the adoption and enactment of that amendment; or

''(C) the enactment of that bill or resolution in the form recommended in that conference report,

would cause or increase an on-budget deficit for any fiscal year.''.

(b) SUPER MAJORITY REQUIREMENT.—

(1) POINT OF ORDER.—Section 904(c)(1) of the Congressional Budget Act of 1974 is amended by inserting ''312(h),'' after ''312(g),''.

(2) WAIVER.—Section 904(d)(2) of the Congressional Budget Act of 1974 is amended by inserting ''312(h),'' after ''312(g),''.

SA 30. Mr. KOHL (for himself and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 420, to amend title 11, United States Code, and for other purposes;

At the end of title III, add the following:

SEC. 330. CLARIFICATION OF POSTPETITION WAGES AND BENEFITS.

Section 503(b)(1)(A) of title 11, United States Code, is amended to read as follows:

''(A) the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case, and wages and benefits awarded as back pay attributable to any period of time after commencement of the case as a result of the debtor's violation of Federal or State law, without regard to when the original unlawful act occurred or to whether any services were rendered;''.

SA 31. Mr. KOHL (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 420, to amend title 11, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 308 and insert the following:

SEC. 308. LIMITATION.

Section 522 of title 11, United States Code, is amended—

(1) in subsection (b)(3)(A), as so designated by this Act, by inserting ''subject to subsection (o),'' before ''any property''; and

(2) by adding at the end the following new subsection:

''(o)(1) As a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds, in the aggregate, $125,000 in value in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.''.

Strike section 322 of the bill, and redesignate the remaining sections in title III accordingly.

Amend the table of contents accordingly.

SA 32. Mr. SESSIONS proposed an amendment to the bill S. 420, to amend title II, United States Code, and for other purposes; as follows:

At the end of the bill insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Social Security and Medicare Lock-Box Act of 2001''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Balanced Budget Act of 1997 and strong economic growth have ended decades of deficit spending;

(2) the Government is able to meet its current obligations without using the social security and medicare surpluses;

(3) fiscal pressures will mount as an aging population increases the Government's obligations to provide retirement income and health services;

(4) social security and medicare hospital insurance surpluses should be used to reduce the debt held by the public until legislation is enacted that reforms social security and medicare;

(5) preserving the social security and medicare hospital insurance surpluses would restore confidence in the long-term financial integrity of social security and medicare; and

(6) strengthening the Government's fiscal position through debt reduction would increase national savings, promote economic growth, and reduce its interest payments.

(b) PURPOSE.—It is the purpose of this Act to—

(1) prevent the surpluses of the social security and medicare hospital insurance trust funds from being used for any purpose other than providing retirement and health security; and

(2) use such surpluses to pay down the national debt until such time as medicare and social security reform legislation is enacted.

SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES

''SEC. 316. (a) LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on

the budget, or an amendment thereto or conference report thereon, that would set forth a surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

''(B) EXCEPTION.—(i) Subparagraph (A) shall not apply to the extent that a violation of such subparagraph would result from an assumption in the resolution, amendment, or conference report, as applicable, of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year.

''(ii) If a concurrent resolution on the budget, or an amendment thereto or conference report thereon, would be in violation of subparagraph (A) because of an assumption of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year, then that resolution shall include a statement identifying any such increase in outlays or decrease in revenue.

''(2) SPENDING AND TAX LEGISLATION—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(i) the enactment of that bill or resolution, as reported;

''(ii) the adoption and enactment of that amendment; or

''(iii) the enactment of that bill or resolution in the form recommended in that conference report.

would cause the surplus for any fiscal year covered by the most recently agreed to concurrent resolution on the budget to be less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to social security reform legislation or medicare reform legislation.

''(b) ENFORCEMENT.—

''(1) BUDGETARY LEVELS WITH RESPECT TO CONCURRENT RESOLUTIONS ON THE BUDGET.—For purposes of enforcing any point of order under subsection (a)(1), the surplus for any fiscal year shall be—

''(A) the levels set forth in the later of the concurrent resolution on the budget, as reported, or in the conference report on the concurrent resolution on the budget; and

''(B) adjusted to the maximum extent allowable under all procedures that allow budgetary aggregates to be adjusted for legislation that would cause a decrease in the surplus for any fiscal year covered by the concurrent resolution on the budget (other than procedures described in paragraph (2)(A)(ii).

''(2) CURRENT LEVELS WITH RESPECT TO SPENDING AND TAX LEGISLATION.—

''(A) IN GENERAL.—For purposes of enforcing subsection (a)(2), the current levels of the surplus for any fiscal year shall be—

''(i) calculated using the following assumptions—

''(I) direct spending and revenue levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

''(II) for the budget year, discretionary spending levels at current law levels and, for outyears, discretionary spending levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

''(ii) adjusted for changes in the surplus levels set forth in the most recently agreed to concurrent resolution on the budget pursuant to procedures in such resolution that authorize adjustments in budgetary aggregates for updated economic and technical assumptions in the mid-session report of the Director or the Congressional Budget Office. Such revisions shall be included in the first current level report on the congressional budget submitted for publication in the Congressional Record after the release of such mid-session report.

''(B) BUDGETARY TREATMENT.—Outlays (or receipts) for any fiscal year resulting from social security or medicare reform legislation in excess of the amount of outlays (or less than the amount of receipts) for that fiscal year set forth in the most recently agreed to concurrent resolution on the budget or the section 302(a) allocation for such legislation, as applicable, shall not be taken into account for purposes of enforcing any point of order under subsection (a)(2).

''(3) DISCLOSURE OF HI SURPLUS.—For purposes of enforcing any point of order under subsection (a), the surplus of the Federal Hospital Insurance Trust Fund for a fiscal year shall be the levels set forth in the later of the report accompanying the concurrent resolution on the budget (or, in the absence of such a report, placed in the Congressional Record prior to the consideration of such resolution) or in the joint explanatory statement of managers accompanying such resolution.

''(c) ADDITIONAL CONTENT OF REPORTS ACCOMPANYING BUDGET RESOLUTIONS AND OF JOINT EXPLANATORY STATEMENTS.—The report accompanying any concurrent resolution on the budget and the joint explanatory statement accompanying the conference report on each such resolution shall include the levels of the surplus in the budget for each fiscal year set forth in such resolution and of the surplus or deficit in the Federal Hospital Insurance Trust Fund, calculated using the assumptions set forth in subsection (b)(2)(A).

(d) DEFINITIONS.—As used in this section:

''(1) The term 'medicare reform legislation' means a bill or a joint resolution to save Medicare that includes a provision stating the following: 'For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes medicare reform legislation.'.

''(2) The term 'social security reform legislation' means a bill or a joint resolution to save Social Security that includes a provision stating the following: 'For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes social security reform legislation.'.

''(e) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

''(f) EFFECTIVE DATE.—This section shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation.''.

(b) CONFORMING AMENDMENT.—The item relating to section 316 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

''Sec. 316. Lock-box for social security and hospital insurance surpluses.''.

SEC. 4. PRESIDENTS' BUDGET.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—If the budget of the United States Government submitted by the President under section 1105(a) of title 31, United States Code, recommends an on-budget surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year, then it shall include a detailed proposal for social security reform legislation or medicare reform legislation.

(b) EFFECTIVE DATE.—Subsection (a) shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation as defined by section 316(d) of the Congressional Budget Act of 1972.

SA 33. Mr. DORGAN (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 420, to amend title 11, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. NATURAL GAS RATES.

(a) DEFINITION OF BUNDLED TRANSACTION.—In this section, the term ''bundled transaction'' means a transaction for the sale of natural gas in which the sale price includes both the price of the natural gas and the price of transporting the natural gas.

(b) DISCLOSURE OF COMMODITY PORTION AND TRANSPORTATION PORTION OF SALE PRICE IN BUNDLED NATURAL GAS TRANSACTIONS.—Exercising authority under section 4 of the Natural Gas Act (15 U.S.C. 717c), not later than 60 days after the date of enactment of this Act, the Federal Energy Regulatory Commission (referred to in this section as the ''Commission'') shall promulgate a regulation that requires any person that sells natural gas in a bundled transaction under which the natural gas is to be transported in the interstate market to file with the Commission, not later than a date specified by the Commission, a statement that discloses—

(1) the portion of the sale price that is attributable to the price paid by the seller for the natural gas; and

(2) the portion of the sale price that is attributable to the price paid for transportation of the natural gas.

SA 34. Mr. SPECTER submitted an amendment intended to be proposed by him to the bill S. 420, to amend title 11, United States Code, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. DISCLOSURE OF LOBBYING ACTIVITIES WITH RESPECT TO PRESIDENTIAL PARDONS.

Section 3(8) of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1602(8)) is amended—

(1) in subparagraph (A)—

(A) in clause (iii), by striking ''or'' after the semicolon;

(B) in clause (iv), by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(v) the issuance of a grant of executive clemency in the form of a pardon or commutation of sentence.''; and

(2) in subparagraph (B)(xii), by striking ''made to'' and inserting ''except as provided in subparagraph (A)(v), made to''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, March 8, 2001, at 10 a.m., in closed session to receive testimony on current and future worldwide threats to the national security of the United States.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Thursday, March 8, 2001, at 10 a.m., to conduct a markup on S. 350, the Brownfields Revitalization and Environmental Restoration Act of 2001.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 8, 2001, at 10:30 a.m., to hold a hearing (agenda attached).

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, March 8, 2001, at 2 p.m., for a business meeting to consider pending Committee business.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in executive session during the session of the Senate on Thursday, March 8, 2001, at 9:30 a.m.

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

COMMITTEE ON THE JUDICIARY

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, March 8, 2001, beginning at 10 a.m. The markup will take place in Dirksen Room 226.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, March 8, 2001, at 4 p.m., to consider the omnibus funding resolution for committees of the Senate for the 107th Congress.

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

COMMITTEE ON VETERANS' AFFAIRS

Mr. HATCH. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be authorized to meet to hold a joint hearing with the House Committee on Veterans' Affairs to receive the legislative presentations of the Paralyzed Veterans of America, Jewish War Veterans, Blinded Veterans Association, the Non-Commissioned Officers Association, and the Military Order of the Purple Heart. The hearing will be held on Thursday, March 8, 2001, at 9:30 a.m., in room 345 of the Cannon House Office Building.

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

HONORING TWENTY-ONE MEMBERS OF THE NATIONAL GUARD KILLED IN CRASH OF NATIONAL GUARD AIRCRAFT

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H. Con. Res. 47, which is at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 47) honoring 21 members of the National Guard who were killed in the crash of a National Guard aircraft on March 3, 2001, in south-central Georgia.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. LOTT. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the concurrent resolution be printed in the RECORD.

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

The concurrent resolution (H. Con. Res. 47) was agreed to.

The preamble was agreed to.

HONORING TWENTY-ONE MEMBERS OF THE NATIONAL GUARD KILLED IN CRASH OF NATIONAL GUARD AIRCRAFT

Mr. LOTT. Mr. President, I ask unanimous consent that the Armed Services Committee be discharged from further consideration of S. Con. Res. 22 and the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 22) honoring the 21 members of the National Guard who were killed in the crash of a National Guard aircraft on March 3, 2001, in south-central Georgia.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. LOTT. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to this resolution be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 22) was agreed to.

The preamble was agreed to.

(The text of S. Con. Res. 22 is located in today's RECORD under ''Statements on Submitted Resolutions.'')

ORDERS FOR FRIDAY, MARCH 9, 2001

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m. on Friday, March 9. I further ask unanimous consent that on Friday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of S. 420, the bankruptcy reform bill.

Let me say at this point I am serious about the desire for us to make some progress on the bankruptcy bill. There are amendments to be offered and debated during the pendency of the session tomorrow so that those matters can then be voted on next week. I do not believe that will happen, but I want to emphasize the opportunity is there.

I am sure at some point next Wednesday we are going to hear hollering and complaining about the fact that there is not enough time to consider amendments that need to be offered.

We are in session tomorrow. This is the business of the Senate, the business of the country. I hope Senators will take advantage of that opportunity on Friday and on Monday so that we can complete the work on this important legislation that has been considered repeatedly by the Senate. Nobody is surprised by what is in this bill.

What we are going to have next week is everybody is going to dump out their baskets on this bill. That is unfortunate, but we will clean it up in conference and get this done because it is way overdue, and an overwhelming bipartisan majority of the Senate supports it.

I further ask unanimous consent that at 12 p.m., Senator LUGAR be recognized to speak for up to 30 minutes in morning business.

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

Mr. LOTT. Mr. President, all Senators should be aware that the Senate will convene on Friday on the bankruptcy bill. If amendments are available, they will be considered on Friday, but votes will be deferred over until Tuesday of next week. Amendments also can be offered or expect to be offered during the day on Monday. Under the previous order, votes ordered on Friday or Monday will occur on Tuesday at 11 a.m. and then there will be at least two votes at 2:45 p.m. after the weekly policy luncheons on Tuesday.

ORDER FOR ADJOURNMENT

Mr. LOTT. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of Senators BIDEN and LIEBERMAN.

Mr. REID. Will the Senator yield the floor?

Mr. LOTT. I am happy to yield.

Mr. REID. I want to emphasize what our leader said. We have a lot of amendments pending. We have all day tomorrow, all day Monday. There is going to come a time Tuesday and Wednesday when Members will be asked, do you need all this time? how much time do you need? And I am alerting everybody to what Senator DASCHLE said earlier today: They can have all day tomorrow to talk as much as they want tomorrow, as much as they want Friday. Senator CONRAD said he would be happy to yield the floor to offer amendments. He will come at 10:15 or whenever we come in, in the morning.

The point is, anyone within the sound of my voice, we have 86 amendments. There will come a time next week when we have to dispose of the amendments. That is the agreement that has been tentatively reached by the two leaders. I hope people are not upset next week when there may be motions to table and other things done to dispose of some of the amendments.

Mr. LOTT. Senator REID, I appreciate you saying that. That is exactly what I was urging. There are over 100 amendments pending that have been suggested or listed by over 30 Senators. Some Senators may have other commitments tomorrow, may be in their States with legitimate and official business, but surely not all 30 Senators are gone. Friday would be a wonderful time to talk at great length on the great wisdom of any amendments that might be offered. I hope that happens. I thank you for urging Senators to do that.

I yield the floor.

The PRESIDING OFFICER. The Senator from Delaware.

IMPORTANT PROGRESS IN BOSNIA AND HERZEGOVINA

Mr. BIDEN. Mr. President, I rise today to discuss the important progress that has been made in the difficult post-war political and economic transformation in Bosnia and Herzegovina.

Some critics of American policy seem inclined to seize on every shred of negative news as alleged arguments for pulling up stakes and disengaging from the Balkans.

I have never belonged to this ''cut and run school,'' and, in fact, the good news I have to report illustrates two fundamental truths: first, that persistence pays; and second, that more than ever, we need to continue to be engaged on the ground in Bosnia.

Since the November 2000 elections—which, I might add, the international news media quickly, and incorrectly, dubbed a major setback for the Dayton Accords—several positive political and economic developments have occurred in Bosnia, at both the national and the entity level, that merit our close attention.

In fact, the situation has progressed to the point where Bosnia and Herzegovina now stands at a critical juncture. For the first time there appears to be a fundamental shift away from the ultra-nationalist parties that have until now dominated Bosnia's post-war political process.

As the Presiding Officer knows, immediately after the war ended, each of the main ethnic groups—the Bosniaks, or Muslims, the Croats, and the Serbs—rallied around ultra-nationalist leaders who had neither the capability nor the intention of bringing about a united Bosnia.

But now there has been a fundamental shift away from these ultra-nationalist parties and toward a government that is more moderate and inclusive and less nationalistic.

But the tide, Mr. President, has not yet definitively turned. Let me try to explain this fairly complex picture.

At the level of both the Muslim-Croat Federation and of the national government of Bosnia and Herzegovina, the main agent of this remarkable shift has been a coalition of non-nationalist parties aptly known as the ''Alliance for Change.''

In the wake of the November elections, these parties found the political courage to put aside their disparate interests and agendas and push together to oust the hardline nationalists.

In early February, the Alliance scored its first major victory at the national level when it closed ranks to defeat the election of nationalist candidate Martin Raguz for Prime Minister.

In the process, in a truly remarkable breakthrough, the ultra-nationalist Serb presidency member joined the Muslim presidency member from the nationalist Bosniak SDA party in backing a non-nationalist candidate for Prime Minister, Božidar Matić, who was put forward by the Alliance.

I am told that Ante Jelavić, the third presidency member who leads the hardline Bosnian Croat HDZ party, stormed out of the presidency session in a fury. Having met Mr. Jelavić in Bosnia several years ago, I am not surprised at his behavior.

Two weeks ago on February 22—three months after the elections—Matić and his team of ministers were confirmed as the first ever non-nationalist government in Bosnia and Herzegovina.

Then, on February 28, came word of a second stunning success, this time at the Federation level. In another political first for Bosnia, two non-nationalist candidates nominated by the Alliance for Change, Karlo Filipović and Safet Halilović, were elected as President and Vice-President of the Federation.

Mr. President, these are momentous changes. These two gentlemen are genuine democrats who have bought into Dayton. I am confident that they and their allies will now push for full implementation, including adopting a new elections law, an effectively functioning Federation legislature, and honest economic reform.

In a promising harbinger of the new political order, Prime Minister Matić gave the nationalist parties a clear indication of his priorities when he told them: ''I don't speak Serbian, Croatian, or Bosnian. I speak the language of competitive economic skills, because that's the only language that will help us survive.''

That would be an ordinary statement for anybody to make in any other democracy but it is a breathtaking statement in Bosnia.

That, Mr. President, is the language of Bosnia's future.

Unfortunately, Mr. Jelavić and his ultra-nationalist cronies in the HDZ appear unwilling to accept their defeat and leave power gracefully. Last Saturday, at a self-appointed congress held in Mostar, the Bosnian Croat National Assembly announced its intention to form a separate Croat political entity in all but name and to establish temporary self-administration. This move, which would be a clear violation of the Dayton Peace Accords, has been roundly condemned by the international community.

In point of fact, the HDZ's actions reveal just how desperate Jelavić and his ilk have become. With the Alliance for Change poised to solidify its new political gains, Jelavić was forced to play the nationalist card once again by claiming that he alone is defending the interests of Bosnia's Croat community.

This assertion, however, is patently false, for Jelavić does not speak for all Bosnian Croats. People like Krešimir Zubak, the newly appointed national

Minister of Refugee and Human Rights, and Jadranko Prlić, the former foreign minister and currently Deputy Minister for Foreign Trade and Economic Relations, are both Croat moderates who are committed to Dayton's full implementation.

Zubak called the Croat People's Assembly ''an illegitimate institution'' that ''cannot take lawful decisions.''

Yesterday, in response to this illegal behavior, High Representative Wolfgang Petritsch, an experienced Austrian diplomat, removed Jelavić from his post as Croat Member of Bosnia's collective presidency. Put another way, he said, you are no longer president.

I met with Mr. Petritsch several weeks ago in Sarajevo, and I welcome his resolute action.

I emphasize, Mr. President, that this move by the High Representative was backed by the reformist Mesić/Račan Government of Croatia—which in itself speaks volumes about recent political progress in the Balkans. This is the new leadership in Croatia that came to power in the wake of Franjo Tjudman, a man who was almost, in my view, as bad as Slobodan Milosevic. The new Croatian Government said it does not acknowledge or support Mr. Jelavić's attempt to set up a separate entity.

Positive change is afoot even in the Republika Srpska, where the ultra-nationalist SDS, a party with the dubious honor of having been founded by one of the worst war criminals, in my view—but whether you believe me or not, someone who has been indicted for alleged war crimes—Radovan Karadzic, won a clear plurality of votes in the November elections.

In what had to have been a delicate political dance, the non-nationalist Bosnian Serb Prime Minister, Mladen Ivanic, has succeeded in building a government in which the influence of the SDS has been formally neutralized, although some SDS-leaning individuals have been included in the Cabinet. I met with him for hours when I was recently in Sarajevo.

It took great courage for him to do what he did. After all, the party of Karadzic had won. And what was said at the time by the Muslims, as well as the Croats in attendance, was if, in fact, you do not exclude all those who are active members of the SDS, we will not cooperate, but if you do, we will form a government with you.

Incidentally, Mr. President, much of the credit for these success stories should go to our talented and hard-working Ambassador in Sarajevo, Tom Miller.

In addition, two other dedicated Americans—Ambassador Jacques Klein, the head of the U.N. Mission in Bosnia, and General Michael Dodson, the Commander of SFOR, have greatly improved the cooperation between their respective organizations, which had been sorely wanting for some time after Dayton.

An illustration of this fruitful cooperation is the fact that refugees are returning in record numbers to their pre-war homes. The 2000 total was 65 percent higher than the 1999 total. And the 1999 total was 100 percent higher than 1998. This development is due in large part to the atmosphere of security made possible by the presence of SFOR and the International Police Task Force, run by the United Nations Mission.

Returns are up even in areas where some of the worst ethnic cleansing took place, and even in Srebrenica—the site of Europe's worst massacre since World War II, people are returning.

The other link in the international chain is the United Nations' Office of the High Representative, whose head, Mr. Petritsch, acted so swiftly against the ultra-nationalist Bosnian Croat leader. Had he not, I believe the Dayton accords would be in shambles, and we would be back on the verge of chaos.

This action followed a move in February in which he removed one of the most corrupt Bosnian officials, former Prime Minister Adhem Bičakčić, from his post at the head of the country's largest electric utility, which he was using as his own private little till for his party, and banned him from holding future public office. It is estimated that Bičakčić diverted hundreds of thousands of dollars in public funds to the Party of Democratic Action, the country's largest Muslim political party, and to private bank accounts.

He is a fitting poster-boy for the kind of behavior that can no longer be tolerated in Bosnia if Bosnia is ever going to turn its economy around.

There is more to cheer about on the economic front. Large-scale privatization is finally underway, and the communist-era payment bureaus, long a source of petty corruption, were shut down in early January, a move which should pave the way for a viable banking system to take hold.

Let me again stress that I do not believe by any stretch of the imagination we have definitively turned the corner in Bosnia and Herzegovina. But thanks to the strikingly positive developments that have occurred in the last few months, Bosnia finds itself at an important crossroads, which makes our continued, active engagement there all the more urgent.

As I have said many times, we have come too far and accomplished too much to simply abandon the people of this region to the purveyors of ultra-nationalism and ethnic division who are waiting and hoping that our resolve will dissipate over time.

We need to support those forces—embodied in the Alliance for Change—that are struggling to end the post-war status quo of nationalist party dominance and to implement Dayton's political structures in a meaningful and durable way.

They represent the best hope for Bosnia's full integration into Europe's political and economic structures.

When that day comes, with mission accomplished we and our allies can close up shop and head home secure in the knowledge that we have helped extend the zone of European stability to include another Balkan country.

I thank the Chair and yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. In my capacity as a Senator from the State of Alabama, I ask unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. SESSIONS. In my capacity as a Senator from the State of Alabama, I ask unanimous consent that the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 5:52 p.m., adjourned until Friday, March 9, 2001, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate March 8, 2001:

DEPARTMENT OF TRANSPORTATION

MICHAEL P. JACKSON, OF VIRGINIA, TO BE DEPUTY SECRETARY OF TRANSPORTATION, VICE MORTIMER L. DOWNEY, RESIGNED.

DEPARTMENT OF THE TREASURY

KENNETH W. DAM, OF ILLINOIS, TO BE DEPUTY SECRETARY OF THE TREASURY, VICE STUART E. EIZENSTAT, RESIGNED.

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADES INDICATED IN THE UNITED STATES ARMY AND FOR REGULAR APPOINTMENT IN THE JUDGE ADVOCATE GENERAL CORPS (IDENTIFIED BY AN ASTERISK (*)) UNDER TITLE 10, U.S.C., SECTIONS 531, 624, AND 3064:

To be lieutenant colonel

JAY M. WEBB, 0000 MS

To be major

*EDWARD K. LAWSON, 0000 JA
SIMUEL L. JAMISON, 0000 DE

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

JAMES G. LIDDY, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

ANTHONY W. MAYBRIER, 0000

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 (POLITICAL AFFAIRS), VICE THOMAS R. PICKERING.

RICHARD LEE ARMITAGE, OF VIRGINIA, TO BE DEPUTY SECRETARY OF STATE, VICE STROBE TALBOTT.

JOHN ROBERT BOLTON, OF MARYLAND, TO BE UNDER SECRETARY OF STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY, VICE JOHN DAVID HOLUM, RESIGNED.

GRANT S. GREEN, JR., OF VIRGINIA, TO BE AN UNDER SECRETARY OF STATE (MANAGEMENT), VICE BONNIE R. COHEN.

WILLIAM HOWARD TAFT, IV, OF VIRGINIA, TO BE LEGAL ADVISER OF THE DEPARTMENT OF STATE, VICE DAVID ANDREWS.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be brigadier general

COL. ROBERT G.F. LEE, 0000

HOUSE OF REPRESENTATIVES—*Thursday, March 8, 2001*

The House met at 10 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God, Holy One of Israel, only by Your prophetic Spirit do we come to understand ourselves and our children.

Our behavior no more than our prayer reveals the whole of us. Enable us to uncover the many layers of our own being before You. And may we always rejoice in the self-revelation of others.

The work of Your Spirit upon us and within us is an awesome doing; so personal, so patient, so caring, so loving. Make us more attentive to Your movement within us through personal prayer and reflection. May we respond to Your inspiration with alacrity and gratitude.

Help us to recognize the work of Your Spirit in others, and guide us by this same Spirit to listen deeply to others, especially our children. You are our saving Lord, now and forever. Amen.

THE JOURNAL

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

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

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Indiana (Mr. HILL) come forward and lead the House in the Pledge of Allegiance.

Mr. HILL led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. There will be five 1-minutes on each side.

TAX RELIEF IS ABOUT JOB SECURITY AND ECONOMIC GROWTH

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

Mr. BARTLETT of Maryland. Mr. Speaker, President Bush has proposed a package of tax relief that includes across-the-board tax relief for everyone. His plan even takes 6 million Americans off the tax rolls all together. It is a fair and balanced proposal that will certainly benefit hard-working Americans and offer them more flexibility on how they want to spend their money.

One thing America offers is opportunity for all. That is why our plan does not seek to redistribute wealth, like some Democrats wish to do. We realize that everyone who pays taxes ought to get relief. There must be an incentive for Americans to create jobs and businesses. Freedom and capitalism is why our country is the world's greatest Nation.

Our legislation gives back some of what taxpayers have overpaid to the government so that they can get a new washer and dryer or get their children new school clothes or even pay some of the college tuition or car bills that cost so much nowadays. The bottom line is that it is the taxpayers' money. They can spend it much better than anyone in Washington, D.C.

Mr. Speaker, Republicans are going to provide tax relief to all Americans. The President and leaders in Congress are trying to reach out to the opponents of our plan in order to foster a bipartisan agreement without compromising the needs of the taxpayer.

TIME FOR A NATIONAL SALES TAX

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

Mr. TRAFICANT. Mr. Speaker, I will vote today for President Bush's tax cut. But cutting taxes, income taxes, is not enough. It is time to replace the income tax with a national retail sales tax.

Think about it. Our income Tax Code rewards dependency, subsidizes illegitimacy, penalizes work and achievement. Beam me up. It is time to let freedom truly ring in America. And I ask my colleagues, who can truly be free in America if the government controls our income and our labor? America should control their own financial destiny.

I yield back the fact that the income tax levied on all citizens is a Communist idea first proposed by Karl Marx and now practiced in the United States of America.

VOTING FOR ACROSS-THE-BOARD TAX RELIEF

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

Mr. KENNEDY of Minnesota. Mr. Speaker, I am pleased that the President included maximum debt reduction, strengthening Social Security and Medicare and a $1 trillion budget reserve to pay for things that may come up, like agriculture.

I am also very pleased that he is strengthening our families by lifting the burden of death tax that makes it hard to pass on the farm or family business to the next generation, addressing the marriage penalty and doubling the per-child tax credit.

But today we vote on an across-the-board tax relief for our families. As I travel around southwest Minnesota talking to families and farmers and small businesses, they tell me that we need to give the economy a boost right now to keep it moving in the right direction. This will provide real money that families can use to pay down credit card debt or to spend a little less time working for the government and a little more time with their own families.

It is because of this that this Kennedy will be voting for across-the-board tax relief today.

BUDGET FIRST, TAX CUT LATER

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

Mr. TURNER. Mr. Speaker, the House will take up and consider a major tax cut today without ever having first adopted a budget to see if the tax cut will fit within that budget. No American family, no business would engage in major spending without first adopting a budget.

The Congressional Budget Act of 1974 requires the Congress to adopt a budget

resolution before votes on tax cuts. The 33 members of the Blue Dog coalition in the House will lead the fight today for a budget first, asking this House to commit to the letter and the spirit of the Budget Act.

Democrats want the largest tax cut we can afford, but we do not know how much we can afford until we first have a budget debate and determine what the budget resolution of this Congress provides for. Then we will know how big a tax cut we can afford.

HONORING JANET RAY WEININGER

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to honor the compassion of Janet Ray Weininger, founder of Wings of Valor, a charity which provides humanitarian assistance to the people of Nicaragua. Organized by Janet in 1998 as a result of the horrific natural disasters in Central America, Wings of Valor brought food, clothing, shelter and assistance to the most remote towns and villages in Nicaragua.

Janet was appalled by what she saw and what she heard from friends there, so she knew she had to do something to help bring relief. She gained the help of the Air Force Reserve unit at Homestead, Florida, and with their assistance was able to gather needed provisions and distribute them to the people of Nicaragua.

Three years later, Wings of Valor continues to minister to the needs of the Nicaraguan people; and because of her continued and selfless charity, Janet Ray Weininger deserves the recognition of the U.S. Congress and, indeed, the American people.

WRITE A BUDGET, THEN GIVE TAX CUTS

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

Mr. HILL. Mr. Speaker, a politician's first instinct is to promise everything to everybody. It is a lot easier for politicians to say yes to everybody and put off the tough choices until later. That is why this House set up a budget process that forces us to make tough choices between our competing priorities. It is the same process every responsible American family and business follows. Before they start spending money, they sit down and figure out how much they have.

In a perfect world we would have all the money we needed to take care of all our priorities. But this is not a perfect world. We have to make tough choices. If we want to give people bigger tax cuts, we will have to take some money out of Social Security and Medicare. If we want to pay down more debt, we will have to restrain spending or tax cuts.

Let us do the hard work first. Let us write a budget, laying out our priorities, then let us give people tax cuts. President Bush and the Senate are debating tax cuts within a budget framework and we should be doing that in the House as well.

SUDAN PEACE ACT

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

Mr. PITTS. Mr. Speaker, even now, in the 21st century, atrocities are being committed in other countries that boggle the mind, and not always by individual terrorist groups. They are also being committed by governments.

Yesterday, I joined my colleagues, the gentleman from Colorado (Mr. TANCREDO) and the gentleman from New Jersey (Mr. PAYNE), in announcing the reintroduction of the Sudan Peace Act. What is going on in the Sudan is as bad as anything ever committed by any government anywhere: slavery, actual slavery, rape campaigns, starvation campaigns, intentional bombings of churches, schools, hospitals, markets, and villages are happening. This is how the radical Sudanese Khartoum regime intends to put down the Christians, the Animists in the south.

The world community has completely failed to stand up to the Sudanese government. Our former Secretary of State, Madelyn Albright, said the crisis in the Sudan ''wasn't marketable.'' But yesterday, Secretary Powell indicated renewed, and I think heartfelt, interest in standing up to the Sudanese.

Let us pass the Sudan Peace Act quickly and work with this administration to bring peace in that war-torn land.

BUDGET FIRST, TAX CUTS LATER

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I gladly join my colleagues to ask this Congress to do what every American family does, at least those who do keep their heads above the water, and that is provide a budget and then determine how much they can spend—weekly, monthly and yearly for their families.

The projection of over $5 trillion as a surplus is not a reality. We do not know what can happen tomorrow. And frankly, this fiscally irresponsible vote today does not answer the question of whether or not we have a budget to help students go to school with Pell Grants, to provide dollars for historically black colleges and Spanish-serving colleges or institutions of higher learning across the Nation or institutions serving native Americans.

Do we have the Medicare guaranteed-drug prescription benefit that our seniors need? Or are we giving the 1 percent of Americans, the wealthiest, the highest tax cut without again determining what we need in order to provide for investments in our nation? Do we have enough money for our veterans, who have given of themselves, and the many families of veterans, and those families left behind by our service people who have given the ultimate sacrifice? We need a budget before we need a tax cut.

AMERICANS DESERVE TAX RELIEF

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

Mr. GRAVES. Mr. Speaker, working Americans deserve tax relief. The American family's tax burden has now reached its highest level since World War II. In fact, the average American will have to work 129 days to pay off their total tax bill. Mr. Speaker, no one, regardless of income level, should have to pay more than one-third of their hard-earned paycheck in taxes to the Federal Government.

Americans will send $5.6 trillion more to Washington over the next 10 years than is needed to run the government. This surplus is the direct result of the diligence and hard work of the American people. The choice for this Congress is simple: keep the money for more Washington bureaucracy or return a portion of the surplus to working men and women. Mr. Speaker, I choose the people. Under the tax cut proposal, every American that pays income taxes will receive significant tax relief.

Mr. Speaker, this bill puts money back in the hands of Americans. Make no mistake, this is real tax relief for real people. Mr. Speaker, now more than ever Americans need to keep more of their hard-earned money in their pockets. The American people are overtaxed, and I look forward to voting today to return a portion of their money back to them. Taxpayers have earned it, and our slowing economy deserves it.

□ 1015

WHITHER THE TAX CUT

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

Mr. SANDLIN. Mr. Speaker, the American public is not fooled by the charade before us today. Many in this Chamber claim that we have a $5 trillion surplus. The fact is this: We have

a $5 trillion debt. Only in Washington, D.C., only here in the Nation's capital can a $5 trillion debt somehow magically transform itself into a $5 trillion surplus. That is new math at its finest. I do not know about you, but where I went to school in Texas, that just does not add up.

According to my figures, in order to have a $5 trillion surplus, we would need to have $10 trillion in the bank. But as our friend Chris Farley might have said, ''We don't have Jack Squat.'' We need tax cuts in America. I support tax cuts in America. The Blue Dogs support tax cuts in America. But let us be responsible. We need a budget before we have tax cuts. We need to do what every family farmer does and every family business. Every family in America has a budget first. Mr. Speaker, let us formulate a budget first. Then we will give America the tax break that it deserves.

THE JOURNAL

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to clause 8, rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. TURNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 230, nays 180, answered ''present'' 1, not voting 21, as follows:

[Roll No. 34]

YEAS—230

Abercrombie
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Bass
Bereuter
Berman
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Brown (SC)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clyburn
Coble
Collins
Combest
Conyers
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dingell
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
LaHood
Largent
Latham
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moakley
Mollohan
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Osborne
Ose
Otter
Oxley
Pastor
Paul
Payne
Pence
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (FL)

NAYS—180

Aderholt
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Borski
Boswell
Boucher
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Condit
Costello
Cramer
Crowley
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
Deutsch
Dicks
Doggett
Dooley
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Hall (OH)
Harman
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Hulshof
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kilpatrick
Kind (WI)
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Pallone
Pascrell
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schaffer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Weiner
Wexler
Woolsey
Wynn

ANSWERED ''PRESENT''—1

Tancredo

NOT VOTING—21

Ackerman
Barton
Bonior
Burr
Coyne
Cummings
Davis (FL)
DeLauro
Fattah
Gutierrez
Jones (NC)
LaTourette
Lewis (CA)
Owens
Platts
Shays
Shows
Skelton
Stupak
Tierney
Young (AK)

□ 1041

Mrs. MINK of Hawaii, Ms. HARMAN, Mrs. MCCARTHY of New York, Messrs. ROTHMAN, ISRAEL, HOLDEN, KIND, RAHALL, DOOLEY of California, SPRATT, BARCIA, DAVIS of Illinois and WATT of North Carolina changed their vote from ''yea'' to ''nay.''

So the Journal was approved.

The result of the vote was announced as above recorded.

MOTION TO ADJOURN

Mr. HILL. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the motion to adjourn offered by the gentleman from Indiana (Mr. HILL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 174, noes 241, not voting 17, as follows:

[Roll No. 35]

AYES—174

Allen
Andrews
Baca
Baird
Baldwin
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch
Dicks
Dingell
Doggett
Doyle
Engel
Eshoo
Evans
Farr
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel

Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Moore
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Radanovich
Rangel
Rivers
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Weiner
Wexler
Woolsey
Wynn

NOES—241

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clayton
Coble
Collins
Combest
Cooksey
Costello
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Pastor
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Regula
Rehberg
Reyes
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Scarborough
Schaffer
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (FL)

NOT VOTING—17

Ackerman
Davis (FL)
Delahunt
Fattah
Hastings (WA)
LaTourette
Lewis (CA)
Moran (VA)
Northup
Saxton
Shows
Skelton
Smith (NJ)
Stupak
Tauzin
Waxman
Young (AK)

□ 1059

Messrs. SMITH of Michigan, BONILLA, KELLER, and Ms. HART changed their vote from ''aye'' to ''no.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mrs. NORTHUP. Mr. Speaker, on rollcall No. 35 I was unavoidably detained. Had I been present, I would have voted "no".

PROVIDING FOR CONSIDERATION OF H.R. 3, ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

Mr. REYNOLDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 83 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 83

Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates. The bill shall be considered as read for amendment. The amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted. The previous question shall be considered as ordered on the bill, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative Rangel of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

□ 1100

PARLIAMENTARY INQUIRY

Mr. STENHOLM. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from Texas (Mr. STENHOLM) will state his parliamentary inquiry.

Mr. STENHOLM. Mr. Speaker, under what rules of the House is the rule that we are about to consider being brought to the floor when Section 303 of the Congressional Budget Act says that until the concurrent resolution on the budget for a fiscal year has been agreed to, it shall not be in order in the House of Representatives, with respect to the first fiscal year covered by that resolution, or the Senate, with respect to any fiscal year covered by that resolution, to consider any bill, any bill or joint resolution, amendment or motion thereto, or conference report thereon that; one, first provides new budget authority for that fiscal year; two, first provides an increase or decrease in revenues during the fiscal year; three, provides an increase or decrease in the public debt limit to become effective during the fiscal year; and, four, in the Senate only, first provides new entitlement authority for that fiscal year?

Mr. Speaker, my parliamentary inquiry is, under what rule of the House are we bringing this rule and this resolution today before this body?

The SPEAKER pro tempore. The Chair would respond to the gentleman that the rule is brought under rule XIII of the House, which allows the Committee on Rules to bring special orders of business to the House at any time, and it is under clause 5 of rule XIII that the rule is being considered.

Mr. STENHOLM. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. STENHOLM. Do I understand the Speaker to say that this rule is waiving this particular Federal law, or are there some technical definitions that we will hear in which technically that we are still within this law?

The SPEAKER pro tempore. The Chair would respond that the Clerk has read the rule, which includes waiver of all points of order against consideration, and that was read to all Members.

Mr. STENHOLM. Mr. Speaker, briefly continuing on my parliamentary inquiry.

The SPEAKER pro tempore. The gentleman may continue.

Mr. STENHOLM. So that I might understand, it is the decision of the Speaker that this bill that we will soon take up shall come to the floor of the House under a rule that waives technically all points of order?

My opposition, I guess, to this if that is the Chair's ruling, this centers around the fact that I thought that we got away from technically defining words on January 20, but it seems that we are going to continue that in the House for a few more days.

The SPEAKER pro tempore. The Chair would respond to the gentleman that it is up to the will of the House as to whether the rule is adopted or not.

The gentleman from New York (Mr. REYNOLDS) is recognized for 1 hour.

Mr. REYNOLDS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my friend, the gentleman from Massachusetts (Mr. MOAKLEY); pending which I yield myself such time as I may consume. During consideration of the resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, just for information, my understanding is that the Democratic substitute actually probably violates more rules that we are waiving points of order on than the Republican measure of any points that the gentleman from Texas (Mr. STENHOLM) brings before us today.

House Resolution 83 is a modified closed rule, providing for the consideration of H.R. 3, a bill to reduce individual income tax rates by amending the Internal Revenue Code of 1986.

The rule provides for 1 hour of general debate, equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means. Additionally, the rule waives all points of order against consideration of the bill.

The rule provides that the amendment recommended by the Committee on Ways and Means now printed in the bill shall be considered as adopted.

The rule also provides consideration of an amendment in the nature of a substitute, printed in the Committee on Rules report accompanying the resolution, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered as read and shall be separately debatable for 1 hour equally divided and controlled between a proponent and an opponent.

Furthermore, the rule waives all points of order against the amendment in the nature of a substitute.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, I speak in strong support of this rule and its underlying bill, H.R. 3, the Economic Growth and Tax Relief Act of 2001.

This bill provides immediate relief to taxpayers by reducing the present-law structure of five income tax rates to four by 2006.

Mr. Speaker, 238 years after patriot James Otis first railed that ''taxation without representation is tyranny,'' the American people have found that taxation with representation is not so hot either.

Working Americans are spending a greater percentage of their income towards taxes than at any time since World War II. In an era of unprecedented budget surpluses, that is just plain wrong.

The Economic Growth and Tax Relief Act is the first step towards establishing parity and fairness in America's Tax Code.

The President's plan gives a tax cut to every American who pays income taxes and gives the lowest income families the largest percentage reduction.

When fully implemented, President Bush's tax plan will eliminate the death tax, reduce the marriage penalty, and continue this majority's commitment to fiscal responsibility in paying down our Nation's debt.

Equally important, the President's tax plan will spur savings and investment and, in an analysis released just yesterday by the respected Heritage Foundation, will boost economic activity, creating 917,000 new jobs and strengthen the income of taxpayers.

As Federal Reserve Chairman Alan Greenspan has warned, America's economy is slowing, and relief such as this, that puts more money in the pockets of working families, may very well keep us out of a recession.

In my own congressional district, earning the district's family median income of just under $35,000, they would pay no Federal income taxes under the President's plan, saving them more than $1,400.

Mr. Speaker, $1,400 is enough to send a child to a semester of community college, make a mortgage payment or pay off a credit card. This is real savings, real money in the pockets of local families.

Of course, under the Democrats substitute included within this rule, that family in my district would not be able to afford a semester of community college for their child, pay off their credit card or even make a mortgage payment. That is because in testimony yesterday before the Committee on Rules, the measure's sponsor admitted that the family would pay $700 in Federal income taxes, and that is $700 more than they would pay under President Bush's plan.

We all know that it was a position of a previous administration and even some of my colleagues on the other side of the aisle that this plan will benefit only the very rich.

The median family income in my district is $34,573, not exactly enough to be featured on Lifestyles of the Rich and Famous. Under the Republican plan, they would pay nothing, saving more than $1,400. Under the Democratic plan, they would save less than half of that, having to write a check to Uncle Sam each and every year. Whose plan is it that is really helping working families?

Now, I know that there have been people that say Americans do not care about this tax cut. They are wrong. Paul Meloon, a husband, father, teacher from Batavia, New York, in my congressional district, recently wrote me about, and I quote, ''whether the country can afford tax cuts.''

''The people that pay the taxes'' Paul wrote,''can't afford our high taxes. We can't afford so much year after year on Federal programs. No one asks if the taxpayer can afford a tax hike. It's not a matter of affording a tax cut, we demand it.''

Paul, thanks to our President and this Congress, you are going to get the tax relief you need.

Mr. Speaker, I have another purely parochial reason for so enthusiastically supporting this tax relief package. Currently, my State gets back only 85 cents of every dollar it sends to the Federal Government.

For years, Senator Daniel Patrick Moynihan released a report detailing the tremendous inequity that New Yorkers were burdened with each and every year, sending their hard-earned dollars to Washington and losing billions of dollars on their investment.

As Senator Moynihan himself suggested, the more New Yorkers send to Washington, the bigger the disparity. So maybe we should not send down as much, and let New York's families keep more of their hard earned money to spend how they see fit.

Under the President's tax plan, New York State will receive the second most of any State in tax relief, $88.6 billion over 10 years. On average, taxpaying households in New York will receive more than $18,000 of relief over the next 10 years.

Mr. Speaker, there is a reason that this government is amassing record-breaking surpluses; it is because people are sending too much money to Washington. Today we have the opportunity to give them something they have earned and something they deserve. We can give them some of their money back. I ask only that my colleagues not let this historic opportunity slip by.

Mr. Speaker, I would like to commend the gentleman from California (Mr. THOMAS), our new chairman of the Committee on Ways and Mean, and the gentleman from New York (Mr. RANGEL), our ranking member, for their hard work on this measure as it comes before the House today.

Mr. Speaker, I urge my colleagues to support this rule and the underlying legislation.

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

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS), my good friend, for yielding me the time.

Mr. Speaker, we all know that the Senate will only take up a tax bill

after they vote on the budget, so what is the rush here in the House? This is not the right time to debate a tax bill. This is not the right time to consider a spending bill. This is not the right time to require the House to decide about any part of a budget, because we have not agreed on an overall budget plan.

I do not say that because the law or the Congressional Budget Act says so. I do not say this just because plain old common sense tells us we should make decisions the same way any rational individual or family or business firm would. I know the Committee on Rules can waive the Budget Act and the dictates of common sense.

Mr. Speaker, this is not the right time to consider a tax bill, because we need an overall budget to see what we can actually afford.

Mr. Speaker, I sense a broad bipartisan support for a host of very important commitments, including providing tax relief. We agreed on the need to continue paying down the debt. There is a broad commitment to invest in more education and more national defense. We all say we need to provide prescription drug benefits and, most importantly, Mr. Speaker, there was a consensus to undertake a serious shoring up of Social Security and Medicare.

But, Mr. Speaker, H.R. 3 is estimated to cost almost $1 trillion. Can we really afford a trillion dollar tax cut with our schools crumbling and overcrowded, our prescription drug costs skyrocketing, our Social Security and Medicare programs begging for reform?

We cannot answer that question, Mr. Speaker, unless we have an overall budget plan. I am sure a lot of people would be amazed, Mr. Speaker, to know that 43 percent of President Bush's tax cuts benefit the richest 1 percent of Americans. Let me repeat that, 43 percent of President Bush's tax cuts benefit only 1 percent of the richest Americans.

Those tax cuts are 13 times larger than all of President Bush's education reform proposals, 13 times larger than all of President Bush's education reform proposals, all the dollars that President Bush has proposed for all kinds of educational reform amounts to less than 1/13 of the tax cuts that go to the richest 1 percent of America. I mean that figure is amazing.

I cannot understand how my Republican colleagues can defend a $15,000 tax cut to a family making $500,000 per year in income, while the Republican bill, that same bill, gives absolutely no tax cut to a working family with three children earning $30,000 a year.

I cannot imagine how any Congressman can defend this proposal at home unless they represent a district very different from the one I do.

□ 1115

In my State of Massachusetts, 224,000 families with children will not get any benefits whatsoever from this Republican tax bill.

Mr. Speaker, I urge defeat of the previous question so that I may offer an amendment to the rule. My amendment would require Congress to adopt the budget resolution before the House takes up the tax bill.

Mr. Speaker, we should not debate H.R. 3 until we have a budget to show us if H.R. 3 leaves room for all the other things we agreed we need to do. We need to fix Social Security. We need to fix Medicare. We need to keep our promises to the beneficiaries of these programs today and tomorrow.

Today's New York Times says, ''The House leadership's rush for action today makes a mockery of President Bush's pledge for bipartisanship and respect for dissent.'' Cutting taxes without a budget, the Times continues, ''is tantamount to telling lawmakers not to look too closely because they might change their minds if they do.'' Social Security and Medicare are too important to be treated so recklessly.

Mr. Speaker, let the Congress see whether this tax cut leaves the resources we need to do all the other important things we must do for America, and then we can take up this bill.

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

Mr. REYNOLDS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, at this time of record surpluses, should Americans pay 40 percent of their income in taxes? Should they pay more to the tax collector than for food, shelter, and clothing combined? Mr. Speaker, the truth is that, if one is paying taxes today, one is paying too much. That is why we are here.

Let us take a look at the road that has led us down this path. We have paid down $363 billion of debt since 1997. We have already taken steps to protect nearly $3 trillion for Social Security, Medicare, to provide for further debt relief. According to the conservative budget projections that we keep hearing, we continue to maintain a very significant surplus.

Mr. Speaker, if one is paying taxes today, one is paying too much. Now we have the opportunity to provide American taxpayers, all American taxpayers, with a refund for the taxes they have been overcharged. By taking this step today, we can further empower people to help themselves and to help our economy.

How can we ever underestimate the importance of this money to individuals and their families? This tax relief represents new clothes for children, school tuition or personal debt reduction or even a new heater or air conditioner for a home.

Mr. Speaker, if one is paying taxes today, one is paying too much. We have a record surplus. We cannot spend it. The American people need it. They have record debt. They can use it. Return to sender. Let us give it back and let them spend it.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. FROST), a member of the Committee on Rules.

Mr. FROST. Mr. Speaker, 20 years ago, this House and the Congress rushed headlong into the promised land of supply-side economics. This institution bought this medicine-show magic of cutting taxes along with rosy economic forecasts that within a year left us soaring deficits and a staggering public debt. It was a classic case of, if it is too good to be true, it probably is.

Mr. Speaker, we are right back there today. We have spent the last 18 years struggling to bring deficits and debt under control and have only now begun to see the fruits of our labor.

My Republican colleagues seem to have forgotten that the promises of 20 years ago were fool's gold. So today they are again rushing pell-mell toward yet another promised land that may turn out to be only a mirage.

Mr. Speaker, make no mistake, Democrats support tax relief for the American taxpayer. But Democrats do not support this bill. We do not support considering this bill or any other tax bill without having first put into place a budget that will give us a more realistic understanding of what we can and what we cannot afford.

Democrats cannot support a tax package that will once again trigger deficit spending and will set back our efforts to pay down the national debt. Democrats cannot support a tax package that is so heavily weighed toward the most well-off of this country that low- and moderate-income working families will necessarily have to be shortchanged.

Democrats cannot support a package that is built on a foundation of rhetoric and not on reality. Once one gets past the Republican rhetoric, it is clear that this package provides no tax relief for millions of Americans, including nationwide the families of 24 million children.

In Texas, the President's home State, 1.2 million families with 2.3 million children will receive no benefits at all. Over 85 percent of American households will receive a tax cut far less than the $1,600 President Bush has promised. At the same time, the Republican tax plan gives 43 percent of its benefits to the richest 1 percent of Americans and in so doing, will force this Congress to cut funds for national priorities ranging from education and defense to law enforcement and health care.

This tax bill will ensure that any surpluses that do materialize in the Treasury will be spent and is, therefore,

nothing more than a promise to raid the Social Security and Medicare Trust funds; and Democrats cannot and will not support that.

It is an amazing turn of events. The Democrats are now seen as the party of fiscal responsibility, the party that wants to protect the American taxpayers' money, now and in the future. The Republican Party today is relinquishing any claim to that title. They have relinquished any claim to responsible law-making.

In fact, Mr. Speaker, the consideration of this proposition is the height of fiscal irresponsibility. The consideration of this proposition, without having first put into place a budget, is, quite frankly, a dereliction of duty.

This is a shameful subversion of the process that no Member of this body should support.

Mr. Speaker, we were all elected to serve the people of our individual Districts and the people of the United States as a whole. That is a proud and noble responsibility. But, today we are doing them a disservice. Instead of doing the right thing, we are replaying the actions of 20 years ago that were neither proud nor noble.

Mr. REYNOLDS. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT) in the spirit of bipartisanship for tax cuts.

Mr. TRAFICANT. Mr. Speaker, I support the rule and the bill. I hear the same old arguments: Cutting taxes only helps the rich. This time the excuse is the budget. Once again, the politics of division, pitting rich versus poor, worker versus company. Mr. Speaker, this is un-American.

If there is no wealth, there is no investor. If there is no investor, there is no company. If there is no company, there is no job. If there is no job, there is no American family.

It is time to wake up. America is still a Nation of free enterprise and capitalism. And, Mr. Speaker, profit is not a dirty word.

I happen to come from a poor family, like many others. My dad, Mr. Speaker, never worked for a poor guy. In fact, today, I want to thank every company that found my father fit, good enough to have worked for them and to have made a living to help our family.

But I thank more than anyone else and support today our President. I believe the President is right on this targeting business. Some who would target people in are the same who would target people out. Enough of the targeting in America. There is enough bull's-eyes on people's backs to go around.

All Americans deserve a tax cut. Every American that pays taxes should get a tax break. The President of the United States today should get that support because the American people are coming to realize that it is not our money. It is the taxpayer's money, and we should in fact return some of that money. I compliment those who have crafted this bill. I also compliment Mr. RANGEL for making an attempt to mitigate some of the concerns that are realistic, but ladies and gentlemen, the politics of division must be set aside. It is wrecking America.

Mr. Speaker, let me say one last thing. The rhetoric of division is the rhetoric of socialism, not a capitalistic, free enterprise America.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, this is not an accounting debate, this is a debate about the future of this country. I believe that every American ought to get a tax cut, and the kind of tax cut that I favor is one that will not eat up so much of the surpluses that there is nothing on the table to strengthen Social Security or Medicare or strengthen schools or pay for a prescription drug benefit or fill in the gaps in health care and pay down debt. That is why I believe that there should be no tax bill on this floor until we have a full, complete budget so we can see the entire game plan.

For this Congress to proceed with taxes alone before they have the other pieces on the basis of promises about what will happen to the economy 10 years from now is as irresponsible as the action that this Congress took in 1981. In 1981, this Congress roared through President Reagan's budget and said ''If you pass that big tax cut, we will have a balanced budget in 4 years.'' This chart demonstrates, the green bar shows the promises and the red bar shows the results. Instead of getting to a surplus, we wound up with $600 billion of added debt in those 4 years, and over the next 10 years we more than quadrupled the national debt.

Mr. Speaker, that is the route we are heading down again if you pass this bill. Fooled me once, shame on you. Fall for it twice, shame on me. Fall for it four times, please, bring on the adult supervision!

Mr. Speaker, the only other point I want to make is to say that this bill demonstrates that the top priority of the majority party, with all of the problems Americans face on Social Security, education, health care and the lot, their top priority is to ease the tax burden on those who make more than $300,000 a year by huge amounts. If that is your top priority, I say pitiful.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CALVERT).

Mr. CALVERT. Mr. Speaker, consumer confidence, capital investment and growth are down. Layoffs, energy prices, and concerns are up. Tax relief is critical to giving a boost to the economy and putting the brakes on runaway Washington spending. Americans are more than aware that surplus money that stays in Washington is spent to perpetuate Washington bureaucracies.

H.R. 3 intends to put taxpayers' money first. We have walled off over $3 trillion for Social Security, Medicare and further debt relief. Since 1997, Republicans have paid down $363 billion of debt. Uncle Sam's fiscal house is not only in order, it is in the best shape it has been in generations. H.R. 3 works under a simple principle, that no one should be paying more than one-third of their income to the IRS. It helps lower-income Americans by making tax relief retroactive to January 1 of this year providing tax relief for working Americans.

Mr. Speaker, I hope that we can all support the rule for H.R. 3 and put money back into the pockets of American taxpayers instead of pouring in the abyss known as Uncle Sam's bank account.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, I am here to represent the working people in my district, the schoolteacher dealing with an overcrowded class working to teach 30 students algebra, the waitress at my local diner serving tables, the police officer risking his life every day, these are the hard-working people that I am fighting to give a tax break to.

So when I look at a Republican plan that gives a tax-free inheritance to a billionaire's son, and an average tax cut of over $28,000 to those making $900,000 a year while giving, on average, only several hundred dollars per family to the vast middle class, that just does not seem fair to me.

I do not think that most American families would take all of their projected earnings for the next 10 years and spend every last dime up front leaving no room for ill health or a rainy day. Unlike the Republicans, most American families would never do this without first preparing a budget. But that is what the President wants us to do here, blindly follow him and leap off the budgetary cliff.

The Democratic plan gives everyone a fair tax break, leaves enough money to pay down the debt and invest in the future. The Republican plan gives away our future so that a few can share the lion's share of everyone's hard-earned surplus.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. FOLEY).

□ 1130

Mr. FOLEY. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank the Committee on Rules for bringing this to the floor.

Mr. Speaker, I want to talk specifically, because we are hearing a lot of rhetoric today, about how we are

matching priorities with our ability to pay. Basically, we are covering a fiscal relief package that not only provides Social Security and Medicare, but takes care of priorities and provides what we think is a rather slim tax relief package.

Now, the people on the other side of the aisle say they represent the working class, and I appreciate their interest in that subject. I started in life in a gas station. I went on to become a dishwasher in a restaurant. I went on at the age of 21 to start a small family business in Lakeworth, Florida. And week after week I would work hard, with the help of my employees, to make the business a success. But oftentimes there was no money left for me at the end of the week. So when people demean a $180 tax cut as insignificant, maybe it is easy for people who make $145,000 a year to say $20 or $30 a month is insignificant. But I know when I was struggling in my business, if I got an extra 5 bucks a week I was delighted, because I was able to do something in my community with that $5.

Let us not diminish this debate into, as the gentleman from Ohio (Mr. TRAFICANT) said, a class warfare debate. I think it is significant that every American works hard and, when they work hard, they are rewarded for their good behavior. But I want to show one other thing and I will leave my colleagues with this next chart.

This is what we are facing now. This is Newsweek's impression of where our economy is. If we do not pass the tax cut we can look forward to more headlines like that. ''Laid off. How safe is your job?''

Maybe $20 is too much to give hard-working Americans back, or maybe it is the Lexus or muffler comparison used by the other side of the aisle, but I would suggest to my colleagues that those in the trenches working hard, and though I do not have a college degree, I know many people in my community who work hard every day would thankfully look at 20 bucks a week and say, Thank you, U.S. Congress; thanks for sending some relief. And maybe because of this economic stimulation, I will not face that headline and a pink slip at the end of the week.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I thank our distinguished ranking member for yielding me this time.

There are three points I want to make today about the tax plan before us: number one, when an American family considers spending in a major way, whether it be on a home or a car, they sit down first to figure out how it fits into their budget and if they can afford it. The Congress is not that sensible. Almost $2 trillion of spending today and no budget. I think this is wrong.

Number two: do the American people deserve a tax cut? Sure they do. But we have some old bills to pay and interest on those bills. If all of the tax revenue belongs to all of the American people, so does our national debt, and that should be paid off. And we have family obligations, too: A solvent Social Security System, a prescription drug benefit in Medicare, a superb education system for our children. That is why we should budget before we spend.

Number three: Let me warn Californians and New Yorkers to fasten their seatbelts, because under the Bush tax plan they will not be able to deduct their State income taxes or their property taxes anymore.

I think there is a better way. We should be fiscally responsible. We should budget first, pay off our debt, and save and invest prudently. Vote against the plan.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. TIBERI).

Mr. TIBERI. Mr. Speaker, I want to thank the gentleman from New York for yielding me this time.

Today's legislation is a great first step in providing tax relief for Americans and American families. All Americans who pay taxes deserve tax relief. Allowing Americans to keep more of what they earn in their own pockets and providing for paying down of the debt is a first good step for this Congress, but we need to do more. I look forward to working with this body to eliminate the marriage tax penalty and to putting an end to the death tax.

Today, however, let us help strengthen our slowing economy and support the rule. Mr. Speaker, I look forward to putting money back in people's pockets.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I thank the ranking member for yielding me this time.

Mr. Speaker, today I rise in strong opposition to this rule. Yesterday, I offered an amendment to add a trigger mechanism, or a safety valve, to the President's rate-reduction plan. Under my amendment, the safety valve would only be triggered if the Treasury Secretary determines that we are financing tax cuts with the Social Security and Medicare trust funds. My amendment was rejected.

If bringing this bill to the floor is a litmus test on uniting instead of dividing, the Republican leadership has failed. President Bush pledged to change the tone in Washington; yet his own party is using its narrow majority to stifle bipartisanship.

The American people have worked hard and deserve real tax relief. Let us not squander this opportunity to give it to them by playing partisan politics. I urge my colleagues to oppose this rule.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Mrs. BIGGERT).

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

I rise in strong support of the rule on H.R. 3. Webster's dictionary defines the word ''refund'' thus: to give back or put back; to return money in restitution; repayment or balancing of accounts.

Today, we have the opportunity to take a small part of the Federal surplus and give it back to Americans who have overpaid their taxes. It is a refund.

Now, I have heard that some suggest that this refund is nothing more than a giveaway to the wealthy. They will be able to buy a new Lexus, while others will only be able to buy a new muffler. Well, that was the message that was broadcast across the country, and here is what one of my constituents wrote to me. ''Dear Judy, I want my tax relief, even if I only get the muffler.''

Well, under H.R. 3, taxpayers of all income levels will get much more than a muffler. They will get the tax relief they deserve and the refund they deserve. I urge my colleagues to support the rule on H.R. 3.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, when I am at home in Orange County, people continuously tell me, Pay down the debt, Loretta. Strengthen Social Security; take care of Medicare. In other words, we need to figure out our budget before we make a tax cut.

The Blue Dogs have called for the largest possible tax cut available, the one that we can afford. But until we make our budget, we do not know what we can afford. No one would go out and buy a house and not do a budget.

Today, in the paper, we read that the Civil Engineers of America have written a report that says our sewers are in trouble, our water pipes are in trouble, our transportation system is in trouble, aviation is in trouble. Even businessmen who have been promised the Bush tax cut will spend more time and money sitting there waiting because that runway was not built in their city.

So let us do what is correct. Let us sit down and do a budget. Let us not vote for a tax cut until we know what our obligations are.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. THOMAS), the distinguished chairman of the Committee on Ways and Means.

Mr. THOMAS. Mr. Speaker, at some point I do think we have to get realistic in terms of our arguments against this bill. The title of the bill is the Economic Recovery and Relief Act of 2001. That is this year. Despite all the arguments that are being made on the other side of the aisle about a budget

not being in place, they are simply wrong. Why are they wrong? Because we have a budget for 2001.

We create a budget every year. No multiyear tax plan or spending plan has a budget that conforms to that plan beyond 1 year. We have a budget in place. It pays down debt. It takes care of Medicare. We have a lock box for Social Security. That is this year's budget. Democrats voted for it.

This bill pays, this year, a return to the taxpayers. It is the only budget available, and it fits. Their problem is they are just having a hard time supporting real tax reduction.

Mr. MOAKLEY. Mr. Speaker, may I inquire as to how much time my colleague and I have remaining.

The SPEAKER pro tempore (Mr. THORNBERRY). The gentleman from New York (Mr. REYNOLDS) has 12 minutes remaining; the gentleman from Massachusetts (Mr. MOAKLEY) has 16 minutes remaining.

Mr. MOAKLEY. Mr. Speaker, I yield 1¼ minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, President Roosevelt once said, ''The test of our progress as a society is not whether we do more for those who already have enough but whether we do enough for those who have too little.'' President Kennedy said, ''Ask not what your country can do for you, but rather what you can do for your country.''

The Republicans here today have issued a different kind of a challenge: ''Ask not what you can do for your country, ask what can be done for your country club pals. Ask not what is in this titanic tax cut for ordinary families, ask what is in it for the wealthiest 1 percent,'' with an average income of $1.1 million a year. Forty-five percent of the benefit goes to the upper 1 percentile. And, finally, ''Ask not who pays now but who will pay 10 and 15 years from now,'' because this tax cut becomes so massive when the baby boomers retire, when the number of Alzheimer's patients will increase from 4 million to 14 million; Parkinson's disease down the line, long-term care, Social Security, and Medicare. That is when the tax cut begins to balloon, just as the greatest needs do for those seniors who built our country.

It is immoral, Mr. Speaker, to pass a bill which calls for sacrifice from those who will need much a decade from now.

Mr. REYNOLDS. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I rise in strong support of this bill and the rule which brings it to the floor, and I thank the gentleman from New York for yielding me this time.

The average person, as many people have noted today, pays almost 40 percent of his or her income in Federal, State, and local taxes; as well as sales taxes, property, income, gas, excise, and all of the different taxes; Social Security and so forth. The GAO tells us that 80 percent of Americans pay higher Social Security taxes than anything else today. Then, of course as many people have noted, families pay out another 10 percent in regulatory costs, which are things that government forces or requires businesses to do that are passed on to the consumer in the form of higher prices.

One Member of the other body said recently that today one spouse works to support the family while the other spouse has to work to support the government. Former President Clinton said in Buffalo that we cannot give the people a tax cut because they would not spend it in the right way. Well, many of us believe that people know better how to spend their own money than bureaucrats in Washington know how to spend it for them.

The President's plan, as has been noted, takes only about 30 percent of the projected surplus, as has been projected by the nonpartisan Congressional Budget Office over the next 10 years, to give back to the people. Only about 30 percent. This is a balanced plan, with some going to those who will spend it immediately and some going to people who will invest it. So the benefits will be both short term and long term.

Over 6 million lower-income people will be removed from the tax rolls entirely under this bill. This is a moderate plan, a reasonable plan, and a responsible plan. It deserves our support, Mr. Speaker. Everyone is better off. More jobs are created. Prices are lower when more money is left in the private sector where it is spent more economically and more efficiently than does government.

PARLIAMENTARY INQUIRY

Mr. STENHOLM. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his inquiry.

Mr. STENHOLM. In light of the statement the chairman of the Committee on Ways and Means made a moment ago, and which I agree he is technically correct regarding the budget, my parliamentary inquiry is, is the concurrent resolution on the budget that the House adopted last year still valid, even if the majority in this body voted last year to exceed the spending levels in that resolution by at least $33 billion in the current fiscal year alone?

The SPEAKER pro tempore. The Chair can affirm that House Concurrent Resolution 290 of the 106th Congress is still in place by the adoption of House Resolution 5 on the opening day of the 107th Congress.

□ 1145

Mr. STENHOLM. Further extending my parliamentary inquiry, Mr. Speaker, it is my understanding that the chairman of the Committee on the Budget filed a report adjusting the revenue level set in the budget resolution last year to make room for the bill before us today.

Does the chairman of the Committee on the Budget have the authority to change the revenue and spending levels set by the budget resolution without a debate or vote in the full House of Representatives?

The SPEAKER pro tempore (Mr. THORNBERRY). The Chair would respond to the gentleman that the chairman of the Committee on the Budget makes reports from time to time reflecting current levels and making such adjustments in appropriate levels as are consistent with the budget resolution. The chairman of the Committee on the Budget has authority under the budget resolution to make certain adjustments from time to time, and he does so consistent with that authority.

Mr. STENHOLM. Further extending my parliamentary inquiry to make sure that I understand what the Speaker has said, the chairman of the Committee on the Budget may make adjustments to the budget without action of the House of Representatives regarding the budget for the fiscal year 2001 of which we are now operating under which is being used, I believe technically correct, to justify bringing this bill before the House today?

The SPEAKER pro tempore. The Chair would again respond to the gentleman that the chairman of the Committee on the Budget may make such adjustments as are authorized under the budget resolution.

Mr. STENHOLM. I thank the Speaker for his clarification.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MCGOVERN).

Mr. MCGOVERN. Mr. Speaker, I oppose this multi-trillion-dollar tax plan that benefits mostly the wealthy. Without the context of a budget, it is impossible for us to foresee what vital programs will be sacrificed. We do know, however, that under the President's budget blueprint, all funding would be cut for both the FIRE Act and Project Impact, two FEMA programs that are vital to community safety. Last year, the FIRE Act was signed into law as part of the defense appropriations bill. Almost every single Member of this House supported this measure, illustrating how urgent it is.

Each year, over 100 firefighters die in the line of duty. Many of these deaths could have been avoided with improved technology and increased funding. And Project Impact, Mr. Speaker, helps communities prevent tragedies and prepare themselves if disaster strikes.

Mr. Speaker, I represent Worcester, Massachusetts, where six brave firefighters lost their lives in a terrible blaze that engulfed an abandoned building. No community should ever have to experience the pain my community did. Is it too much to ask that

Donald Trump be given a slightly smaller tax cut in order to save efforts that save lives and make a difference for our communities? I urge my colleagues to support our firefighters, defeat the rule, and defeat this Republican tax bill.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. KELLER).

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

I rise today in support of the rule and in support of this important piece of tax relief legislation. I would like to tell my colleagues why. We all pay taxes and we are all entitled to tax relief. It could not be more simple.

There are two big myths put out here about this tax relief plan: First, they say it is too big. Second, they say it is only for the wealthy. Let us address each. First, it is too big. We are using 70 percent of the tax surplus to pay down the debt, shore up Social Security, shore up Medicare and provide prescription drugs, with only 30 percent going back to the folks who paid the taxes, the taxpayers. Now, we could keep that money in Washington, but Washington is going to spend it if we keep it here. Whether it is a Republican Congress, a Democrat Congress, a Congress made up of space aliens, they will spend it if we keep it here.

The second myth is that this is only for the rich. The truth of the matter is that a secretary raising three children, a single mom making $35,000 a year, will get a 100 percent tax cut. Her boss, a lawyer making $100,000 a year, will get a 16 percent tax cut. The folks on the low end of the income spectrum are the big winners. The top 10 percent of wage earners provide 66 percent of the tax revenue. Of course they are entitled to relief. They are the people who provide jobs in this country.

I owe it to my colleagues to vote yes on the rule and yes on this tax relief measure.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I oppose this rule and I oppose the plan. If we choose wisely, we can provide very sensible tax relief for all Americans, we can pay down the national debt, we can invest in the priorities of the American people and the people of my district, the First Congressional District of North Carolina, providing quality education, providing prescription drugs for our seniors so they do not have to choose between buying food and buying medicine, supporting hardworking farmers, fighting the scourge of child poverty and strengthening Social Security so all Americans can rest easily and confidently in their retirement of tomorrow.

Is this tax bill too large? It is too large. Is it fair? It is unfair. It is too large because it is fuzzy math. I serve on the Committee on the Budget. We are now trying to decide what really is the true contingency, whether it is $1.85 trillion, because you do not know. Indeed, the math is fuzzy. It is not fair.

All of these people are left out. As my colleague who preceded me said, three families, $24,000, you get no money. That is unfair.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I rise in support of the rule and of the tax program. I will say that this is a good opportunity because, after all, we need good jobs at good wages and this tax bill will give us more saving and investment in our economy. But I will express a regret that I have, and, that is, the fact that the trigger that I supported and that Chairman Greenspan has outspokenly supported in testimony both before House and Senate Committees. I wish that debt trigger could have been included in this. But it would seem to me that the Senate is probably going to pass a trigger also known as a ''safety valve.'' So it may be in consideration in the conference. But in any case, we can certainly go back and deal with the trigger as we do the budget resolution later this year.

In any case, we have to be fiscally responsible, and I am speaking now as a fiscal conservative, and not increase the debt but balance the budget, pay down the debt and get the saving and investment back in this economy.

Mr. Speaker, I say this for the following reasons:

REDUCING TAX RATES

The Economic Growth and Tax Relief Act of 2001 will provide approximately $958 billion over 10 years in income tax relief. This plan will put money into the pockets of American families by reducing income tax rates across the board.

Mr. Speaker, hardworking American families are paying more in taxes than they should or need to pay. In fact, federal income tax revenues rose dramatically in the 1990s. Today, federal taxes from all sources are the highest they have ever been during peacetime, topping 20 percent of the Gross Domestic Product (GDP). No one, no matter what their income, should send more than one-third of their income to the IRS in taxes. That is why we need tax relief.

This bill provides immediate tax relief by reducing the current 15 percent tax rate on the first $12,000 of taxable income for couples ($6,000 for singles). This bill represents the heart of President Bush's tax package to bring fairness, simplicity and tax relief to American families.

This tax bill not only provides tax relief for millions of American families but also generates economic growth by helping small businesses.

You see S corporations pay taxes at the individual rate level. By cutting the individual rates helps these small businesses. These small businesses create millions of new jobs every year. I have advocated S corporation tax relief and have introduced legislation to help these ''job machines.'' This tax cut carries through on this action and will stimulate the economy by providing relief for S corporations.

AGE OF SURPLUS

This new ''age of surplus'' offers us both a great opportunity and challenge.

The opportunity is for once and all to put our fiscal house in order. We have the opportunity to make the necessary structural and funding changes to save Social Security and Medicare for this and future generations, pay down the debt, provide for national priorities like education and healthcare, and provide for tax relief like we are today.

But like all true fiscal conservatives, I worry that we are making decisions today that will affect our national bottom line in ten years. And we are making these decisions based on ten-year economic assumptions. We cannot deny that the huge projected surplus is just that—''projected.'' While these assumptions may ultimately be correct, I believe there is no one in this House who would venture a bet on it. The money may or may not materialize in the amount we predict.

If the revenue materializes, that's great. Then what I am about to say is a moot point.

But if the revenue does not materialize, it's back to the bad old days—the bad old days of deficits and red ink as far as the eye can see.

Clearly, the American people want a tax refund. In our current economic and fiscal condition, they deserve it. But they do not want us to return to the bad old days of mounting national debt.

How do we prevent that? I submit that we need a double-barreled debt prevention mechanism—a debt trigger.

DEBT TRIGGER

I am very disappointed that we are not including a debt trigger as the Senate has under consideration.

In 1999, this House passed as part of that year's tax bill a debt trigger. A debt trigger is a fiscally conservative idea that was supported by 216 Republicans in the 1999 tax bill. The debt trigger on a tax bill would make future tax reductions contingent on debt reduction. Therefore if future surpluses failed to materialize, then no tax cuts would occur. But let me be perfectly clear—a trigger would not cancel tax cuts already in effect or cause a tax increase.

It would merely ensure that tax cuts are paid for in full so that we do not add to the national debt that hangs over our children's heads. We must understand that our children will inherit the debt. It is a burden created by us for them to carry. I firmly believe that the wish of every parent is to leave the world a better place for his or her children. And the greatest challenge of Congress is to make sure that the next generation will be better than this generation. That is the overwhelming moral imperative of this Congress. We must not shrink from this responsibility.

Chairman Greenspan supports the idea of a debt trigger and reaffirmed it in testimony to the House Financial Services Committee in February. In fact he supports a trigger on both the tax and spending side.

Again, I would expect that serious consideration will be given to this trigger in conference

with the Senate. The trigger is the fiscally responsible, conservative procedure to follow. It will complement the growth of our economy on a sound financial basis.

Mr. Speaker, let me go on record as supporting a debt trigger for both the tax and spending side. That is why I believe we should adopt this ''dual trigger'' on the Budget Resolution that we will consider later this year. A debt trigger is a fiscally conservative idea whose time has come and I strongly urge my colleagues to join me in this effort.

CONCLUSION

Mr. Speaker, I strongly support tax relief provided in this bill and I strongly support providing tax relief in a fiscally conservative manner. That is why I am going to support this bill and work for a debt trigger on the budget resolution.

Mr. MOAKLEY. Mr. Speaker, I yield 3½ minutes to the gentleman from South Carolina (Mr. SPRATT), the ranking member of the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, I rise in support of the budget process and in opposition to this rule because it overrides, overrules and dispenses with the budget process.

We are here talking about a tax bill for a particular reason. We are here because we have moved the budget from a deficit of $290 billion, a record deficit, in 1992, to surpluses no one thought possible just a few years ago, surpluses that extend as far out as the eye can see. We did that because we adhered to a budget process. We adopted a provision that we would have 5-year forecasts and 5-year budget resolutions, and then we extended that to running out tax cuts, their application, to 10 years. We adopted ceilings, caps for discretionary spending. We imposed a rule called the pay-go rule, a rule that says you cannot increase entitlements or cut taxes unless you offset the amount so as to make it neutral on the bottom line. That is why we are here today. That discipline has helped us reap this reward of doing a major tax bill.

Let me say something. Democrats want to cut taxes. We are proposing tax cuts of $800 to $900 billion. Republicans want to cut by more, but the problem they have got is not by how much they want to cut so much as the fact as they are putting the cart ahead of the horse. What they want to do is do this without first having a budget resolution. Regarding all of those rules and budget process disciplines that I just mentioned, if you look in the Congressional Budget Act of 1974 where they are codified, you will see emblazoned at the very top of these provisions the language, ''No budget-related legislation shall be considered before a concurrent budget resolution has been adopted.''

That is the very thing we are doing today. That principle, which is emblazoned in big bold letters in the Congressional Budget Act, is being violated by this rule and this rule overrides and waives major provisions, major disciplines in the budget process. First of all, section 303. Section 303 says you shall not do a tax cut for future fiscal years until you have done a concurrent budget resolution. They are able to skirt past that particular provision because of the curious language of it. It says you cannot do one if it first decreases taxes in the fiscal year covered by the concurrent budget resolution. Since they first decreased the taxes this fiscal year, they are able to skirt by it but they violate the principle of it. They skirt by it only to run smack into section 202.

You see, this bill contains tax provisions that indirectly trigger credits to certain working families. Because of that, the bill increases refundable tax levels and as a result it violates the provisions of section 311, section 401, and section 302, three distinct provisions of the code.

It violates section 302 because you are exceeding the committee allocations that were set in the budget resolution last adopted, it violates section 311 because you are exceeding total spending, and it violates section 401 because you are creating new entitlement authority. And it violates the spirit of section 303. We are trashing the budget process. The disciplines that have brought us to this day where we can have a big tax cut, we are abandoning.

Mr. Greenspan was cited just a minute ago. Last week, he was asked about the budget projections and the fact that we were moving immediately with a tax cut. He said, all of these projections, regardless of how optimistic they are, will be worthless if you do not have the discipline and the process in place to keep it in balance.

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

For the record we no longer seem to be debating whether it is going to be a tax cut or not a tax cut because we are going to get a tax cut in America. But we are talking about process. For the record, in listening to the distinguished Member talk about the past, I would remind him that 48 Democrats voted for the marriage penalty relief before the budget resolution last year, which was in February of 2000, including the ranking Democrat on the Committee on the Budget, the gentleman from South Carolina (Mr. SPRATT).

Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, as to the question on the budget, we have now got a President that will not only not embarrass the country but he will not hold the Congress hostage to spend money above the budget or shut down the government. President Bush will increase the budget by 4 percent above inflation and give tax relief.

But even more of a joke, my friends on the other side in 1993, when they had the House, the White House and the Senate, we talk about middle class tax relief, they gave the middle class the biggest tax increase in history. They used the same rhetoric that they have here today. They talk about Social Security. They increased the tax on Social Security. They talk about, oh, saving the trust fund. They spent every dime in their budget on spending the Social Security Trust Fund. President Clinton and Al Gore every single budget spent every dime out of the Social Security Trust Fund. They even had a retroactive tax increase in which the First Lady redid her taxes. Remember that? We have retroactive tax relief.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, I would like the gentleman from California (Mr. THOMAS), all my Democratic colleagues, all my Republican colleagues, I would like someone to come to the floor now and tell me that our Nation is not $5,735,859,380,573.98 in debt, because we are. I keep hearing about the debt being paid down, but the truth of the matter is, according to our own Treasury statements, the debt has increased since September 30 by $61,681,170,687. How can anyone come to this floor with a straight face and tell me we have a surplus?

□ 1200

It gets worse than that. Those taxes that were raised in the 1980s with a Republican Senate, a Democratic House and a Republican President, that placed on working Americans a 15 percent increase on their Social Security and Medicare taxes with the promise that that money would be set aside. The gentleman from California (Mr. CUNNINGHAM) is right on that, because we now owe Social Security $1,070,000,000,000. We owe Medicare $229 billion. There is no surplus.

Since the gentleman from California (Mr. CUNNINGHAM) mentioned it, and I know he is a military retiree, we owe the military retiree trust fund $163 billion.

We owe the civil service trust fund, and I hope every single Federal employee is listening, $501 billion. There is not one penny in any of these accounts, and yet speaker after speaker talks about a surplus.

Come tell me I am wrong because this is straight out of the Treasury Report.

I am voting against this rule because I offered an amendment yesterday that says before we have any tax relief we pay back to these people, the folks who pay Social Security taxes, the folks who pay Medicare taxes, the folks who had their military pay reduced so that some of it would be set aside for a trust fund, the folks who work for our Nation who had their pay reduced so that

some of it would be set aside for a trust fund, that we will fulfill our obligations to them before we make new obligations.

Mr. Speaker, I am issuing a challenge to the Speaker of the House, the President of the United States, the Senate Majority Leader, come question any of these numbers, because they know they are all the truth.

Mr. REYNOLDS. Mr. Speaker, I yield 1½ minutes to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me this time.

Mr. Speaker, I rise today to encourage my colleagues to support this rule and, more importantly, to support what this rule stands for. This rule stands for moving ahead with tax relief for Americans who have overpaid their tax bill.

We are going to pay down debt. We are going to pay down debt faster than any American family would reasonably assume this debt could have ever been paid off. We have a tax overcharge. This is a tax overcharge.

When one sees the price of what government is going to be needing for the next 10 years, and one sees that we are sending in much more money than that, what needs to happen is that families need to get that money back. This is a debate about what the tax rate structure should look like. Should there be a 15 percent bracket that affects every American family that is affected by it now or should we reduce that bracket to 10 percent? Should one pay more than a third out of every dollar that they earn at the highest bracket?

This is a question about how high that highest bracket should be, and we need to move forward with certainty. The economy has flattened out. Small businesses that now pay that 39 percent rate need to know that their rate is going to go to 33 percent. They can then reinvest money back into their businesses, into the economy. Families who know they are going to get a $1,400 annual amount of their own money back to spend can make a decision about investing in their family's future, buying that new car, buying the washer and dryer, putting money aside for community college.

I urge a yes vote on this rule and on this tax package.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Oklahoma (Mr. CARSON).

Mr. CARSON of Oklahoma. Mr. Speaker, I thank the distinguished gentleman from Massachusetts (Mr. MOAKLEY) for yielding time.

Mr. Speaker, the entire budget debate has been caught up in so much mysterious facts and so much slight of hand that perhaps so many people in this country have been confused about that.

The tax cut will do nothing to stimulate the economy. That is not the words of the Democratic Party or people in opposition to the tax cut. That is the words of Chairman Greenspan himself who said that fiscal fine-tuning of the economy is, in fact, oftentimes counterproductive, not in fact helpful to an economy that may indeed be in decline.

The interesting question is not again what the marginal tax rate should be or what the tax structure should be, but instead how much we can afford to spend in this country over the next 10 years.

There has not yet been a significant tax overcharge. There is a prospective tax overcharge over the next 10 years, and if that money does come in, under the many assumptions behind these budget numbers, then we can talk about meaningful tax cuts. When the Joint Chiefs of Staff alone want nearly $1 trillion over the next decade, $1 trillion for modernization of our military, we are going to have a $2 trillion tax cut that is not consistent with President Bush's own priorities, which demonstrates the myopic thinking behind this entire move.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin (Mr. RYAN), the newest member of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, there is just one big bottom line to this debate today: People are overpaying their taxes.

We are going to hear a lot of debate today saying it is too risky, the process is backwards, all of these things. What is behind these remarks is basically this: They want to deprive people from getting their tax payments back. They want to keep the size of the bite of Washington out of workers' paychecks as big as it is today.

Look at the whole perspective of this. This tax bill, in its entirety, is 6 cents on the dollar. The tax relief plan is 6 percent of all the Federal revenues over the next 10 years. So the idea that this is too big and irresponsible is irresponsible.

Make no mistake, Mr. Speaker. If this tax bill is defeated and this money comes to Washington and is laid up on the table, it will be spent by this body and we will not get tax relief.

This bill is responsible because we are first paying off our public debt. We are protecting the Medicare and Social Security trust funds; and, most importantly, we are giving every hard-working American some money back in their paychecks.

I urge passage of the rule and passage of the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend, the gentleman from Massachusetts (Mr. MOAKLEY), for yielding me the time.

Mr. Speaker, this debate is not about whether there is bipartisanship support for tax relief. There is. It is just a matter of whether it is going to be responsible and fair.

President Bush, during his first address to Congress here a couple of weeks ago, quoted Yogi Berra by saying if we come to a fork in the road we should take it.

Well, Yogi Berra was also famous for having said ''this is deja vu all over again,'' and it is. When we compare the Reagan economic plan of 1981 with what is being attempted today, it is deja vu all over again. The Reagan plan led to 15 consecutive years of deficit financing. We could get away with that then, with a $1 trillion debt at that time. I am afraid that we will not be able to get away with it again with the baby-boomers about to retire at a $5.7 trillion debt today. I hope we are not merely repeating history by basing large tax cuts on speculative budget surpluses that may never materialize 10 years from now.

BUDGET PROCESS

Notwithstanding the fact that the law requires a budget to be passed before Congress considers tax cuts, the House leadership has decided to rush to the floor a fiscally irresponsible tax plan that gambles with our children's future.

This plan is irresponsible because once all of President Bush's campaign tax-cut promises are added up, the total of cost of his plan will easily exceed $2 trillion.

1981 REAGAN TAX CUT

If this huge tax break plan is adopted, virtually all of the remaining projected surplus funds will be spent. In 1981, a similar tax plan and budget led us down the road of deficit budgeting. It took two decades and several acts of Congress to dig the country out of the deficit hole that was created.

This tax cut is even more risky than those of 1981. Today, we have a national debt that is 5 times higher than in 1981. Further, within the next decade we will see the retirement of the baby boomers, in the same years that the tax cuts will be fully phased in.

REPUBLICAN TAX CUT PROPOSAL

The Bush tax plan also overwhelming benefits the wealthiest Americans. The wealthiest 1 percent of Americans will get 43 percent of the benefits and their average tax cut will total $46,000 a year.

Over 85 percent of American households will receive a tax cut far less than the $1,600 that the President promised. And for the hardest-working Americans who do not pay any income taxes, the President delivers nothing, even though they still pay a disproportionate amount of their income for FICA taxes.

BUDGET SURPLUS PROJECTIONS

This plan is incredibly risky. Ten-year surplus projections are unreliable. If the budget projections are off by less than one-half of 1 percent, a $1 trillion shortfall will occur, with these massive cuts in place, Congress will be tempted to tap into the Social Security and Medicare trust funds to balance the budget.

CHAIRMAN ALAN GREENSPAN

In January, Federal Reserve Chairman Greenspan testified before the Senate Budget

Committee and confirmed that the budget projections are ''subject to a wide range of error.''

He also noted that when considering the emerging budget surplus, ''debt reduction is the best use for the added revenue.'' Nonetheless, the administration and leadership are still pushing large tax cuts above debt reduction.

BUDGET PRIORITIES

In the end, the Bush plan will squander all of the funds necessary for critical investments in our nation's future. It is much more prudent to pay down our national debt, invest in education, and defense, shore up Social Security and Medicare, and provide a prescription drug benefit for seniors. With a tax cut of this magnitude, however, the surplus will be wasted, if it is not more fiscally responsible.

DEMOCRATIC ALTERNATIVE

That is why I support the alternative offered by Representative RANGEL, which will be nearly half the cost of the Republican plan.

It would provide immediate and fair tax relief for middle-income families and is also fiscally responsible.

A new 12 percent tax bracket would be created, thereby giving an across-the-board rate cut for all Americans. In addition, it will give those working families who only have payroll and Federal excise taxes a refund through expansion of the earned income tax credit.

Under the alternative, families with children who earn less than $65,000 will receive equal or larger tax breaks than under the Bush proposal.

CONCLUSION

Mr. Speaker, show me a budget that will meet our domestic needs, and then we can begin serious consideration on a tax cut bill.

But don't force a vote on a tax cut bill that is being proposed outside of a budget and is destined to harm our children. I did not come to Congress to saddle my two boys with a debt burden they did not create.

Mr. Speaker, we have worked hard over the past four years to balance the budget and pay down the national debt. I urge my colleagues to oppose this bill, and support the Democratic alternative.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. FOSSELLA).

MOTION TO ADJOURN

Mr. SANDLIN. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore (Mr. THORNBERRY). The question is on the motion to adjourn offered by the gentleman from Texas (Mr. SANDLIN).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SANDLIN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 171, nays 251, not voting 10, as follows:

[Roll No. 36]

YEAS—171

Allen
Andrews
Baca
Baird
Baldwin
Becerra
Berkley
Berman
Berry
Bishop
Blagojevich
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
Deutsch
Dingell
Doggett
Doyle
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hill
Hilliard
Hinchey
Hinojosa
Holden
Holt
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wynn

NAYS—251

Abercrombie
Aderholt
Akin
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Costello
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLauro
DeLay
DeMint
Diaz-Balart
Dicks
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoeffel
Hoekstra
Honda
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (OK)
Manzullo
Matheson
McHugh
McInnis
McKeon
McKinney
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Osborne
Ose
Otter
Oxley
Pastor
Paul
Pence
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiberi
Toomey
Traficant
Upton
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—10

Ackerman
Hutchinson
Lewis (CA)
McCrery
Peterson (PA)
Shows
Skelton
Stupak
Tiahrt
Vitter

□ 1230

Messrs. FOLEY, GORDON, KING, OXLEY, RADANOVICH, KLECZKA, YOUNG of Alaska, SCARBOROUGH and SAXTON, and Ms. HART changed their vote from ''yea'' to ''nay.''

Messrs. ROTHMAN, HOLDEN, BRADY of Pennsylvania, BACA and DOGGETT, and Ms. EDDIE BERNICE JOHNSON of Texas changed their vote from ''nay'' to ''yea.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

Mr. TIAHRT. Mr. Speaker, on Rollcall No. 36 I was inadvertently detained. Had I been present, I would have voted "nay".

□ 1231

PROVIDING FOR CONSIDERATION OF H.R. 3, ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from New York (Mr. REYNOLDS) for yielding me the time, and evidently what I was about to say was so profound that the other side of the aisle wanted to adjourn and go home, and I can understand that, not that they wanted me to embarrass myself.

Today, Mr. Speaker, we ask ourselves a very fundamental question, do we believe in the power and the spirit of the American people? Do we believe in their ability to create new jobs? Do we believe that they should have the freedom to spend as much money as they see fit on their lives, on their families, on their small businesses or do we maintain and continue the position that whatever money comes to Washington, regardless of how much it is, should be spent by folks here in Washington?

The proposition is clear, the issue is clear. Now is the time, and it is long overdue, to send that money back to the American people for the refund they deserve so they can spend it on their kids' education, putting more people to work, on a vacation, a new car, whatever it is.

Mr. Speaker, if we stand for freedom, if we stand for empowering people, this is the way to do it.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. HARMAN).

Ms. HARMAN. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me the time.

Mr. Speaker, here are some unemployment statistics from cities in my district: Redondo Beach, 2.7 percent; Manhattan Beach, 1.9 percent; Los Angeles, 5.4 percent, and Torrance, 3.1 percent. Pretty good, huh?

How did we get here? Part of it is the ingenuity of the private sector. The other part is the successful Federal efforts to balance the budget in a balanced way. I am a veteran of the budget wars. I voted for the 1993 Budget Act, Penny-Kasich, to cut $90 billion in spending, the Balanced Budget Constitutional Amendment, the 1997 Budget Act.

Though my family and I would benefit from the bill before us, now is not the time. I join the Blue Dogs in insisting on a budget first. I want unemployment to stay low. That will only happen if we do not pass a tax cut until we know we can afford it.

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

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Speaker, I support the largest tax cut possible, but I want to see a budget first. The law requires it, and as a small business owner, I demand it. We need to pay down the debt. It is out of control, nearly $6 trillion.

The American people deserve to know that our government is spending over $1 billion a day simply paying interest on the debt, some $360 billion every single year.

Mr. Speaker, I want to see in a budget how we pay down that debt. I want to see in a budget how we save Social Security, how we modernize Medicare to include medicine for our seniors. I want us to recognize and admit to the American people that while we had a surplus yesterday or last year, it is only $8 billion, when you take all the trust fund monies, the Social Security, the Medicare, military retiree, Federal employee retiree trust funds out of the equation.

Mr. Speaker, $8 billion only pays 6 days of interest on the national debt. I want a tax cut. I want a budget first. I want to save Social Security. I want to pay down the debt.

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

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, the House is being asked today to do something that no family or no business in this country would do, and that is embark on major financial decisions without first having a budget. The Congressional Budget Act was passed for the purpose of requiring this Congress to act on a budget first. Irrespective of the technicalities, clearly the spirit of the Budget Act is being violated here today.

The 33 members of the Blue Dog Democrat Coalition are working hard today to send the message to all of our friends in this House that it is important to have a budget first. Democrats want the largest tax cut we can afford, but how in the world do you know how large a tax cut you can afford until you first go through a budget process?

It matters not what budget I am for. It matters not what budget the President is for. It matters not what budget you are for. The process is that we all work together. We debate it out, and we vote and we have a budget. And when you do, you then know how big a tax cut you can afford.

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

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I want a tax cut. And I voted with the majority party twice last year for tax cuts, marriage penalty relief and estate tax relief. This is not and should not be a partisan issue.

People on both sides of the aisle want tax cuts. The real question is how do we do this responsibly and how do we deliver to the American people what we should give them. I hear over and over from my friends on the other side of the aisle there is a surplus; what there is, in fact, is a projected surplus. Big difference, big difference, a projected surplus of $5.6 trillion over the next 10 years.

Mr. Speaker, just last Monday, the weather projection was 12 inches of snow in Washington, D.C. It did not materialize. Twelve inches of snow did not materialize, and I hope that the projections for the economy for the next 10 years are better than the weather predictions, but we cannot count on that. If we are going to be responsible, I think what we should do is wait to see if some of these projected surpluses actually materialize before we start spending this money.

Mr. Speaker, right now we have placed a $5.7 trillion mortgage on the future of our children and grandchildren. I think we have some responsibility to our children, as well as to taxpayers in this country, to balance this out. Yes, if these projections come true, we can and should have significant tax cuts. We can and should significantly pay down our national debt.

I agree with the President's priorities, and I think you are going to find broad support with the President's priorities in the areas of education, defense and prescription drug benefits, but we must be responsible. If we are not, we are going to put our country back in a hole that we have just climbed out of from 30 years of deficit spending.

Let us do the right thing. Let us do the bipartisan thing and do a budget first.

Mr. REYNOLDS. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. MANZULLO).

Mr. MANZULLO. Mr. Speaker, as chairman of the Committee on Small Business, I urge all of my colleagues to vote yes on H.R. 3.

The vast majority of small businesses are sole proprietors, S corporations and partnerships, yet they pay individual taxes anywhere from 15 percent to as high as 39.6 percent. The National Federation of Independent Businesses surveyed some of its members. Two full volumes of responses came back, one of those from Fabiola Francisco in our Nation's capital, who is a small business owner earning $36,000 a year with two young sons. She mirrors thousands of small business entrepreneurs throughout the Nation.

Most of the recipients or most of the people who responded to the NFIB survey said if their taxes are reduced, they would spend the money they save to obtain health benefits for their employees.

This tax cut makes sense, because for the small business people, it allows them to keep more money from the Federal Government and to give that money to their hard-working employees.

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

Mr. Speaker, I urge defeat of the previous question. If the previous question is defeated, I will offer an amendment to the rule to require that Congress first adopt the budget resolution for fiscal year 2002 before the House takes up this tax bill.

We need a budget first to see if we can afford this level of tax relief and still pay down the debt, reform education, modernize our school buildings and reduce class size.

Mr. Speaker, can we afford this trillion dollar tax bill and still give our senior citizens the opportunity not to have to choose between paying for food or paying for their prescription drugs? Can we still shore up Social Security and Medicare and pay down the debt?

Mr. Speaker, I urge a no vote on the previous question.

Mr. Speaker, I ask unanimous consent to put the text of my amendment in the RECORD immediately before the vote on the previous question.

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

There was no objection.

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

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

Mr. Speaker, as I conclude my remarks, we then will have a vote, and if you support tax relief, you vote for the rule. If you do not want tax relief, you vote against it.

Mr. Speaker, I yield the remaining time to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, what a terrific week this is for the American people. Just yesterday, we were able in a bipartisan way to reduce the onerous regulatory burden imposed on them, jeopardizing economic growth, and today we are going to have the opportunity to allow them to keep more of their own hard earned money.

In just 47 days, President Bush has done a phenomenal job of changing the makeup here in Washington. I am very pleased that again in a bipartisan way, Democrats and Republicans alike, are talking about the importance of reducing the tax burden on working Americans.

Mr. Speaker, I happen to believe that the plan that we have put forward is by far and away the best one, because it is geared towards economic growth. It is geared towards fairness, and it is geared towards removing barriers to the middle class.

I have been fascinated over the past hour to listen to the attempt by many to rewrite the history of the 1980s, when Ronald Reagan was President. If you go back and look at what happened when the Economic Recovery Tax Act of 1981 was passed, we were able to double the flow of revenues to the Federal Treasury by reducing a tax burden. Many people said look at the deficits at the end of the 1980s.

The fact of the matter is if you take defense out of the mix, if we had simply had a freeze on domestic spending, a freeze on domestic spending at the rate of inflation during the 1980s, by 1989, when Ronald Reagan retired from the White House, we would have had a $250 billion surplus at that point.

We have to realize that article 1, section 7 makes it very clear, taxing and spending emanates right here in the House of Representatives. So we need to do everything that we possibly can to make sure that we put into place this plan to allow the American people to keep more of their hard earned money, to encourage economic growth, and to bring about as much fairness as we possibly can.

This rule is very fair. We make in order the Democratic substitute. I hope very much that we will be able to have bipartisan support for it, and I know we will when it comes to bringing about this reduction in the tax burden.

Mr. GOSS. Mr. Speaker, I rise in strong support of this fair rule. It is unfortunate that so many of my Democrat colleagues can't seem to put down last week's talking points. This rule gives them two—not one as they had inappropriately feared—bites at the apple. We will have a full and fair debate on their vision of tax relief and one on ours. But now that we have fully accommodated their request for two bites, they play the "bait and switch" on how long we will debate this bill. It is transparently partisan and obstructionist and I doubt that the American people will be fooled.

The folks I represent don't want us to sit here and talk and talk and talk about tax relief. They want us to act. President Bush made tax relief for all Americans one of the hallmarks of his campaign. He stuck with it when the beltway elites said it was wrong. Or couldn't be done. And now as President he has kept his word and forwarded a responsible proposal that provides tax cuts, pays down the national debt and ensures the availability of Medicare and Social Security.

Today Congress will take the first step to utilize part of the non Social Security surplus for the benefit of our taxpayers. H.R. 3 represents the core of President Bush's plan. The implementation of H.R. 3 would provide a savings of $958 million over ten years—including a $360 return for couples as early as 2001. In fact, taxpayers in my home state of Florida will get to keep $48 million dollars more of their own money.

H.R. 3 provides the right balance in reducing marginal tax rates. While all five brackets are collapsed into 4 lower ones, H.R. 3 moves folks in the lowest 15 percent bracket to 10 percent retroactively, giving them a benefit immediately. In fact, for my Democrat friends who suggest this will not help lower income Americans, I would point out that 48 million Americans will pay no Federal income taxes at all in 2001 as a result of our action.

It is a basic debate we are having today and it does not take a long time to figure out where you stand. Do you stand on the side of working Americans who have seen their incomes rise only to be further eradicated by a tax system that discourages achievement? Or do you choose the "politics of the past" * * * class warfare disguised as fiscal responsibility?

I commend Chairman THOMAS for his leadership in moving this important legislation in such a timely manner. I urge a "yes" vote on the rule and a strong yes on final passage.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition of the rule for H.R. 3 which provides for only one amendment to this major piece of legislation. The Republican Leadership has simply pushed this legislation to the floor with irresponsible tax proposals that will exceed $2 trillion. I must oppose this rule which prevents many of my concerned colleagues from even offering amendments to a tax plan that overwhelmingly benefits the wealthiest Americans.

Mr. Speaker, these tax cuts would go to one percent of taxpayers with the highest incomes—a group whose incomes have soared in recent years and have risen much more rapidly than the incomes of the rest of the population—and would exceed the new resources proposed for all other national priorities combined.

The bill reduces Federal revenues by $958.2 billion over 10 years, and represents the first installment of President Bush's proposed $1.62 trillion tax cut plan, accounting for 60 percent of the total cost of the President's proposal. If enacted, Mr. Speaker, it would effect the first reduction in Federal income tax rates since 1981.

The net effect of these changes, however, would have a number of adverse consequences for Americans. For example, a third to one-half of children in many States live in families that would not receive any tax reduction from the President's tax proposal, according to a new analysis from the Center on Budget and Policy Priorities. In 12 States plus the District of Columbia, at least 40 percent of children live in such families. The analysis uses Census Bureau data to estimate, on a State-by-State basis, the number of families that would not receive any tax reduction from the Bush plan because these families' incomes are too low for them to owe Federal income taxes. The large majority of these families, however, work and pay payroll taxes and other taxes unaffected by President Bush's proposal. H.R. 3 reduces only income taxes and taxes on large estates.

This legislation simply is inadequate because substantial numbers of children in every state would not benefit from the President's plan. Some states would have especially high numbers of unaffected children. These states include my state of Texas (2.3 million children unaffected), California (3.7 million), New York (1.9 million), and Florida (1.2 million). In each of another eight states with at least half a million children would gain nothing from H.R. 3, the proposed tax plan.

Nationwide, an estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families with children—would not receive any tax reduction from the Bush proposal. This funding is consistent with independent analysis conducted by the researchers from the Brookings Institution, the Urban Institute, and the Institute on Taxation

and Economic Policy. The vast majority of the excluded families include workers.

The tax plan under consideration would squander all of the funds necessary for critical investments in the future. We cannot afford to forgo a surplus that needs to be used for education, prescription drugs, and ensuring the solvency of Social Security and Medicare.

For these reasons, I look forward to supporting the Democratic Substitute that provides immediate and fair tax relief for middle income families and is also fiscally responsible. A new 12 percent tax bracket would be created, thereby giving an across-the-board rate cut for all Americans—but one which will overwhelmingly benefit middle income taxpayers.

The tax plan numbers contained in H.R. 3 just do not add up, and the surplus estimates that have been used are completely unreliable. Accordingly, I want to urge my colleagues to oppose H.R. 3 and support the Democratic Substitute that will be offered.

Mrs. CLAYTON. Mr. Speaker, I oppose this rule which violates U.S. House Budget principles by allowing consideration of a tax proposal prior to the adoption of a budget resolution.

The President's tax cuts are too big, are based on fuzzy math and unreliable long-term economic projections, unfairly favor the very wealthy, provide absolutely no benefit for many low-wage earners, provide limited economic benefits for the next five years, fail to adequately protect Social Security and Medicare, and are being considered before the House adopts a budget in violation of budget laws and common sense economic planning principles.

If we choose wisely, we can provide sensible tax relief for all Americans, we can pay down the national debt, and we can invest in the priorities of the American people and the people of the First District of North Carolina—providing quality educational opportunities for all of our children, providing prescription drugs for our senior citizens so that they do not have to make the tough choice of buying medicine or buying food, supporting our hard working farmers, fighting the scourge of child poverty, and strengthening our social security systems so Americans can rest easy today confident in a secure retirement tomorrow.

But I am concerned that we will squander this opportunity before having a serious debate about priorities.

President Bush talks about taking down the toll booth to the middle class, but is this what his tax plan would really do? A closer look at who would benefit from the President's proposal reveals that, rather than taking down the toll booth to the middle class, the President's tax plan simply puts the wealth on the express lane to the bank. Under President Bush's proposed plan:

The top one percent would receive between 36–43 percent of the tax cut. This is more than the bottom 80 percent combined would receive. They would receive 29 percent of the tax cut.

The top one percent of the population would receive an average cut of $39,000 dollars—that's twice as much as the median household income in some of the counties in my district.

According to the Treasury Department, the top 1 percent of the population pays 20 percent of all Federal taxes under current law.

Although the President claims that low and moderate income working families receive the largest percentage tax reduction, such claims are based only on income taxes. In fact, these families pay more in Federal payroll taxes than they do in income taxes. Therefore a large percentage of a very low tax liability, one based only on income tax, is not really much assistance at all.

This means that there will be little benefit to the counties of the First Congressional district. In Warren County North Carolina, the average family makes just under $17,000 a year. But under President Bush's proposal, a family of four wouldn't benefit unless their income was $25,000 or higher.

The chilling grip of poverty touches too many of our children. I'm saddened that when people talk about a tax plan which, rather than leaving no child behind, leaves behind 24 million children, including over 6 million black children. When we talk seriously about sensible tax relief for all Americans, should we be considering tax cuts that would not even affect half of black children?

There is money for sensible and just tax relief. But tax relief, like everything that we do, should follow the principle of "fairness for all."

Mr. MOAKLEY. Mr. Speaker, I include for the RECORD the previous question amendment to House Resolution 83, as follows:

PREVIOUS QUESTION AMENDMENT TO HOUSE RESOLUTION 83 TO BE OFFERED BY REPRESENTATIVE MOAKLEY

On page 1, line 1, strike "That upon the adoption of this resolution" and insert "That upon the adoption by Congress of a concurrent resolution on the budget for the fiscal year 2002".

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

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

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

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on the question of adopting the resolution and on any incidental question.

The vote was taken by electronic device, and there were—ayes 220, noes 204, not voting 8, as follows:

[Roll No. 37]

AYES—220

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
Kilpatrick
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Petri
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—204

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.

Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—8

Ackerman
Issa
Lewis (CA)
Peterson (PA)
Pickering
Shows
Skelton
Stupak

□ 1313

Mr. BERMAN changed his vote from ''aye'' to ''no.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

MOTION TO RECONSIDER OFFERED BY MR. JOHN

Mr. JOHN. Mr. Speaker, I move to reconsider the vote by which the previous question was ordered.

The SPEAKER pro tempore (Mr. LATOURETTE). Did the gentleman vote on the prevailing side?

Mr. JOHN. Yes, Mr. Speaker.

MOTION TO TABLE OFFERED BY MR. REYNOLDS

Mr. REYNOLDS. Mr. Speaker, I move to lay the motion to reconsider on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. REYNOLDS) to lay on the table the motion to reconsider the vote offered by the gentleman from Louisiana (Mr. JOHN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

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

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 217, noes 205, not voting 10, as follows:

[Roll No. 38]

AYES—217

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—205

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—10

Ackerman
Cubin
Issa
Lewis (CA)
McDermott
Morella
Nussle
Shows
Skelton
Stupak

□ 1324

Mr. DELAHUNT changed his vote from ''aye'' to ''no.''

Mr. KING changed his vote from ''no'' to ''aye.''

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ISSA. Mr. Speaker, on Rollcall Nos. 37–38 I was unavoidably detained. Had I been present, I would have voted "yea".

The SPEAKER pro tempore (Mr. LATOURETTE). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

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

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 204, not voting 8, as follows:

[Roll No. 39]

AYES—220

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—204

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—8

Ackerman
Callahan
Cubin
Larson (CT)
Lewis (CA)
Shows
Skelton
Stupak

□ 1333

So the resolution was agreed to.

The result of the vote was announced as above recorded.

Stated against:

Mr. LARSON of Connecticut. Mr. Speaker, on rollcall No. 39, I was unavoidably detained. Had I been present, I would have voted "no."

The SPEAKER pro tempore (Mr. LATOURETTE). Without objection, a motion to reconsider is laid on the table.

Mr. FORD. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

MOTION TO RECONSIDER OFFERED BY MS. PRYCE OF OHIO

Ms. PRYCE of Ohio. Mr. Speaker, I move to reconsider the vote just taken.

MOTION TO TABLE OFFERED BY MR. REYNOLDS

Mr. REYNOLDS. Mr. Speaker, I move to table the motion to reconsider the vote.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. REYNOLDS) to lay on the table the motion to reconsider offered by the gentlewoman from Ohio (Ms. PRYCE).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

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

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 221, noes 197, not voting 14.

[Roll No. 40]

AYES—221

Aderholt
Akin
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Dicks
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOES—197

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—14

Ackerman
Bentsen
Coyne
Cubin
Frost
Greenwood
Hinojosa
Largent
Lewis (CA)
Moakley
Shows
Skelton
Strickland
Stupak

□ 1344

Mr. NUSSLE changed his vote from ''no'' to ''aye.''

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

MOTION TO ADJOURN

Mr. HILL. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. The motion to adjourn offered by the gentleman from Indiana (Mr. HILL) is not debatable.

The question is on the motion to adjourn offered by the gentleman from Indiana (Mr. HILL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 160, noes 253, not voting 19, as follows:

[Roll No. 41]

AYES—160

Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Becerra
Berkley
Berman
Berry
Bishop
Blagojevich
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Doggett
Doyle
Eshoo
Farr
Fattah
Filner
Ford
Frank
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Holden
Holt
Hoyer
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lowey
Lucas (KY)
Luther
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moran (VA)
Nadler
Napolitano
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Rangel
Reyes
Rodriguez
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Schakowsky
Schiff
Serrano
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Towns
Turner
Udall (CO)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wynn

NOES—253

Abercrombie
Aderholt
Akin
Armey
Baker
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Biggert
Bilirakis
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Costello
Cox
Crane
Crenshaw
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Deal
DeLay
DeMint
Diaz-Balart
Dicks
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Grucci
Hall (TX)
Hansen
Hart
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoeffel
Hoekstra
Honda
Hooley
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (OK)
Manzullo
Matheson
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Murtha
Myrick
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Osborne
Ose
Otter
Oxley
Pastor
Paul
Pence
Peterson (PA)
Petri
Pickering
Platts
Pombo
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sawyer
Saxton
Scarborough
Schaffer
Schrock
Scott
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Traficant
Udall (NM)
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Wu
Young (AK)
Young (FL)

NOT VOTING—19

Ackerman
Bachus
Bentsen
Bereuter
Cubin
Davis, Tom
Frost
Greenwood
Gutknecht
Knollenberg
Lewis (CA)
Maloney (CT)
Moakley
Morella
Pitts
Shows
Skelton
Spratt
Stupak

□ 1400

Mr. PICKERING changed his vote from ''aye'' to ''no.''

So the motion to adjourn was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair wishes to announce that those Members that are speaking are not allowed to wear badges while they are speaking, and

the Chair will abide by that as one of the rules of the House. So if Members intend to speak, please do not wear a badge.

PARLIAMENTARY INQUIRY

Mr. THOMAS. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) will state his parliamentary inquiry.

Mr. THOMAS. My understanding of the rule is that we are not supposed to wear a button while we are speaking, but we can wear a button on the floor. Is my understanding correct, Mr. Speaker?

The SPEAKER pro tempore. That is what the Chair just indicated.

ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

Mr. THOMAS. Mr. Speaker, pursuant to House Resolution 83, I call up the bill (H.R. 3) to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 83, the bill is considered read for amendment.

The text of H.R. 3 is as follows:

H.R. 3

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

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Growth and Tax Relief Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by section 2 shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

SEC. 2. REDUCTION IN INCOME TAX RATES FOR INDIVIDUALS.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

''(i) RATE REDUCTIONS AFTER 2000.—

''(1) NEW LOWEST RATE BRACKET.—

''(A) IN GENERAL.—In the case of taxable years beginning after December 31, 2000—

''(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 12 percent (as modified by paragraph (2)), and

''(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

''(B) INITIAL BRACKET AMOUNT.—For purposes of this subsection, the initial bracket amount is—

''(i) $12,000 in the case of subsection (a),

''(ii) $10,000 in the case of subsection (b), and

''(iii) ½ the amount applicable under clause (i) in the case of subsections (c) and (d).

''(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with respect to taxable years beginning in calendar years after 2001—

''(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2007,

''(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2006, shall be determined under subsection (f)(3) by substituting '2005' for '1992' in subparagraph (B) thereof, and

''(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

''(2) REDUCTIONS IN RATES AFTER 2001.—In the case of taxable years beginning in a calendar year after 2001, the corresponding percentage specified for such calendar year in the following table shall be substituted for the otherwise applicable tax rate in the tables under subsections (a), (b), (c), (d), and, to the extent applicable, (e).

''In the case of taxable years beginning during calendar year:	The corresponding percentages shall be substituted for the following percentages:				
	12%	28%	31%	36%	39.6%
2002	12%	27%	30%	35%	38%
2003	11%	27%	29%	35%	37%
2004	11%	26%	28%	34%	36%
2005	11%	26%	27%	34%	35%
2006 and thereafter	10%	25%	25%	33%	33%

''(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.''

(b) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (B) of section 1(g)(7) is amended—

(A) by striking ''15 percent'' in clause (ii)(II) and inserting ''the first bracket percentage'', and

(B) by adding at the end the following flush sentence:

''For purposes of clause (ii), the first bracket percentage is the percentage applicable to the lowest income bracket in the table under subsection (c).''

(2) Section 1(h) is amended—

(A) by striking ''28 percent'' both places it appears in paragraphs (1)(A)(ii)(I) and (1)(B)(i) and inserting ''25 percent'', and

(B) by striking paragraph (13).

(3) Section 15 is amended by adding at the end the following new subsection:

''(f) RATE REDUCTIONS ENACTED BY ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001.—This section shall not apply to any change in rates under subsection (i) of section 1 (relating to rate reductions after 2000).''

(4) Section 531 is amended by striking ''equal to'' and all that follows and inserting ''equal to the product of the highest rate of tax under section 1(c) and the accumulated taxable income.''.

(5) Section 541 of such Code is amended by striking ''equal to'' and all that follows and inserting ''equal to the product of the highest rate of tax under section 1(c) and the undistributed personal holding company income.''.

(6) Section 3402(p)(1)(B) is amended by striking ''7, 15, 28, or 31 percent'' and inserting ''7 percent, any percentage applicable to any of the 3 lowest income brackets in the table under section 1(c),''.

(7) Section 3402(p)(2) is amended by striking ''equal to 15 percent of such payment'' and inserting ''equal to the product of the lowest rate of tax under section 1(c) and such payment.''.

(8) Section 3402(q)(1) is amended by striking ''equal to 28 percent of such payment'' and inserting ''equal to the product of the third to the lowest rate of tax under section 1(c) and such payment.''

(9) Section 3402(r)(3) is amended by striking ''31 percent'' and inserting ''the third to the lowest rate of tax under section 1(c)''.

(10) Section 3406(a)(1) is amended by striking ''equal to 31 percent of such payment'' and inserting ''equal to the product of the third to the lowest rate of tax under section 1(c) and such payment.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (6), (7), (8), (9), and (10) of subsection (c) shall apply to amounts paid after the date of the enactment of this Act.

The SPEAKER pro tempore. The amendment printed in the bill is adopted.

The text of H.R. 3, as amended, is as follows:

H.R. 3

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

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Economic Growth and Tax Relief Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by section 2 shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

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''(i) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 12 percent (as modified by paragraph (2)), and

''(ii) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

''(B) INITIAL BRACKET AMOUNT.—For purposes of this subsection, the initial bracket amount is—

''(i) $12,000 in the case of subsection (a),

''(ii) $10,000 in the case of subsection (b), and

''(iii) ½ the amount applicable under clause (i) in the case of subsections (c) and (d).

''(C) INFLATION ADJUSTMENT.—In prescribing the tables under subsection (f) which apply with

respect to taxable years beginning in calendar years after 2001—

''(i) the Secretary shall make no adjustment to the initial bracket amount for any taxable year beginning before January 1, 2007,

''(ii) the cost-of-living adjustment used in making adjustments to the initial bracket amount for any taxable year beginning after December 31, 2006, shall be determined under subsection (f)(3) by substituting '2005' for '1992' in subparagraph (B) thereof, and

''(iii) such adjustment shall not apply to the amount referred to in subparagraph (B)(iii).

If any amount after adjustment under the preceding sentence is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

''(2) REDUCTIONS IN RATES AFTER 2001.—In the case of taxable years beginning in a calendar year after 2001, the corresponding percentage specified for such calendar year in the following table shall be substituted for the otherwise applicable tax rate in the tables under subsections (a), (b), (c), (d), and, to the extent applicable, (e).

''In the case of taxable years beginning during calendar year:	***The corresponding percentages shall be substituted for the following percentages:***				
	12%	***28%***	***31%***	***36%***	***39.6%***
2002	*12%*	*27%*	*30%*	*35%*	*38%*
2003	*11%*	*27%*	*29%*	*35%*	*37%*
2004	*11%*	*26%*	*28%*	*34%*	*36%*
2005	*11%*	*26%*	*27%*	*34%*	*35%*
2006 and thereafter	*10%*	*25%*	*25%*	*33%*	*33%*

''(3) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.''

(b) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

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(1) Subparagraph (B) of section 1(g)(7) is amended—

(A) by striking ''15 percent'' in clause (ii)(II) and inserting ''the first bracket percentage'', and

(B) by adding at the end the following flush sentence:

''For purposes of clause (ii), the first bracket percentage is the percentage applicable to the lowest income bracket in the table under subsection (c).''

(2) Section 1(h) is amended—

(A) by striking ''28 percent'' both places it appears in paragraphs (1)(A)(ii)(I) and (1)(B)(i) and inserting ''25 percent'', and

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''(f) RATE REDUCTIONS ENACTED BY ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001.—This section shall not apply to any change in rates under subsection (i) of section 1 (relating to rate reductions after 2000).''

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(9) Section 3402(r)(3) is amended by striking ''31 percent'' and inserting ''the third to the lowest rate of tax under section 1(c)''.

(10) Section 3406(a)(1) is amended by striking ''equal to 31 percent of such payment'' and inserting ''equal to the product of the third to the lowest rate of tax under section 1(c) and such payment''.

(11) Section 13273 of the Revenue Reconciliation Act of 1993 is amended by striking ''28 percent'' and inserting ''the third to the lowest rate of tax under section 1(c) of the Internal Revenue Code of 1986''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(2) AMENDMENTS TO WITHHOLDING PROVISIONS.—The amendments made by paragraphs (6), (7), (8), (9), (10), and (11) of subsection (c) shall apply to amounts paid after the 60th day after the date of the enactment of this Act.

SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE.

The amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

The SPEAKER pro tempore. After 1 hour of debate on the bill, as amended, it shall be in order to consider a further amendment printed in House Report 107–12, if offered by the gentleman from New York (Mr. RANGEL) or his designee, which shall be considered read, and shall be debated for 60 minutes, equally divided and controlled by a proponent and an opponent.

The gentleman from California (Mr. THOMAS) and the gentleman from New York (Mr. RANGEL) each will control 30 minutes of debate on the bill, as amended.

The Chair recognizes the gentleman from California (Mr. THOMAS).

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

Mr. and Mrs. America, help is on the way, H.R. 3. This bill is only seven pages long. How ironic. The usual complaint about congressional bills is that they are about as long as ''War and Peace'' or they weigh between 10 or 12 pounds. Seven pages. What is inside these seven pages?

Before a Joint Session of Congress, President Bush asked Congress to make sure no hard-working income tax payer pays more than one-third of their income in taxes. It is here. It is in these seven pages.

President Bush said he wanted immediate relief for small business. Seventeen million individual returns are actually small businesses. It is here. It is in these seven pages. Small businesses will have more money this year to pay workers, buy inventory or pay heating or lighting bills.

President Bush said more low income workers should not have to pay any income tax. It is here in these seven pages. More than 4 million low-income workers are freed from their income tax burden. President Bush said the economy is faltering. In fact, a number of economists and all of the leading economic indicators say the economy is faltering.

President Bush said every hard-working American taxpayer should have some of their money returned. It is here. It is in these seven pages. Money so these hard-working Americans can pay their bills with more of their own money.

Mr. Speaker, today we offer the heart of President Bush's tax plan, lower taxes, permanently for all, H.R. 3. It is about time.

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

Mr. RANGEL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I agree with the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, it is only seven pages, but what is in those seven pages?

This is not the tax bill that we hear the President talking about. This does not give relief to people who are married and suffer the marriage penalty. It does not take care of the estate tax. Who it takes care of politically are the top rollers in the United States.

Mr. Speaker, 60 percent of the relief that is in this part of the bill and the other parts that they will bring in tomorrow will go to the top 10 percent of the people in America, 43 percent of it goes to the top 1 percent. Yet they do not even have a budget.

They would have us to believe that they are working under last year's budget, and technically it is this year's budget. But one thing is clear that they waived all rules that would prevent them from having to say that there is a budget on the floor today.

We do hope that those of us who are concerned about Social Security, about Medicare, about prescription drugs, about improving the quality of education, about making certain our farmers and those young men and women who serve in the military, that they are protected. How would we ever know without a budget, but we can take a riverboat gamble that perhaps the CBO at one time is right and maybe the $5.6 trillion is going to be there, but all of this money that we will be saying that we are giving back to the people, we do not give them back their obligations for the $3.4 trillion of debt that we got in before because of reckless fiscal policy.

What we had hoped is that we could have a budget of measure and be able to make decisions in a framework of what our responsibilities are, but, unfortunately, the other side believes that the faster they go, the better it is, and so, therefore, we hope to slow down this train so the American people could take a good look at the fraud that is being perpetrated.

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

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute the gentleman from Illinois (Mr. WELLER), a member of the Committee on Ways and Means.

Mr. WELLER. Mr. Speaker, I rise to support this legislation. It is vitally important legislation. In representing the Chicago area, we are seeing tens of thousands of layoffs.

I have families every day that tell me about their needs, their struggle to pay their high energy home heating bills. They are struggling to pay off their credit card bills. They are seeing their neighbors lose their jobs. And President Bush, as we know, inherited a weakening economy, and he is proposing that we move quickly to fix it and put some money back into the economy and protect jobs and help people pay off their bills.

This legislation will provide real money for real people. I am pleased to point out and thank the leadership of the gentleman from California (Mr. THOMAS). This tax relief is retroactive, which means it will be effective this year, giving taxpayers, every taxpayer who pays taxes, the opportunity to have some extra money. That is a fine point about this bill.

It is not targeted so that people are excluded or divided. It means if you pay taxes this rate reduction benefits everyone. It provides real money for real people.

Mr. Speaker, I would note for a married couple with two kids, a combined income of $75,000, a machinist and schoolteacher, it will provide $1,600 in tax relief once fully phased in, $400 this year.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I rise in opposition to this outrageous piece of legislation on which none of my Republican colleagues have the vaguest idea of what they are doing.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. MATSUI), a senior member of the Committee on Ways and Means.

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding the time to me.

Mr. Speaker, the whole basis of this Bush tax cut which ultimately will be $1.6 trillion, maybe $2 trillion or $3 trillion, when it is finished, no one knows what the total amount will be, the whole basis of this tax cut is based upon surplus projections over the next 10 years from the Congressional Surplus Budget Office that does estimates. In the document that said that we will have $5.6 trillion, the Congressional Budget Office also said that there is only a 50 percent probability that the 5-year projections will be correct, and they say in the 10-year projections they cannot even assess whether or not they will occur because they have no experience at it.

If you take away the fact that these projections are kind of guesswork, like whether the weather, in fact, will have snow next week or last week, and maybe it did not, then if you take away that, the whole basis of this tax cut then becomes illusionary, and that means if it does not happen, we are going to have to cut health care benefits. We are not going to be able to get prescription drug treatment to our senior citizens.

Mr. Speaker, I will guarantee that we will have to make significant cuts in Social Security, if, in fact, this tax cut occurs and these numbers do not come up, and we know these numbers are just based upon nothing but guesswork, and it is my hope that the Members will come to their senses and be very, very cautious, because the Democrats have a tax cut that basically is modest.

It is about $600 billion, which is a lot of money, but at the same time that tax cut is well within a budget framework and obviously will stay within these guesswork numbers.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Arizona (Mr. HAYWORTH), a member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means for yielding me the time.

Mr. Speaker, I listened with great interest to my friend from California (Mr. MATSUI) on the other side of the aisle acknowledging what we all know, none of us here have the gift of clairvoyance. Indeed, the other side did not have the gift of clairvoyance when they disregarded budget rules, waived budget rules and spent and spent and spent and spent more of your hard earned money.

Now to hear my friends on the other side with this born-again devotion to passing a budget first, I simply say, Mr. Speaker, what about the family budget? What about your constituents working hard to make ends meet? What about your constituents sending up to 40 percent of their income in taxation to some form of government? What about your constituents paying more in for taxes than for food, clothing and shelter combined? What about your constituents who you have asked time and time and time again to sacrifice so that Washington can do more?

Mr. Speaker, I would suggest that is exactly backwards. Washington should live within its means so that American families can have more in this year. For a married couple, an extra $400 this year, I know to big spenders it does not sound like much, but it helps pay down credit card debt. It helps buy new clothes for the kids or a new set of tires.

In short, it is real money for real people, and it is money that belongs to the people, not to the government.

Mr. Speaker, what we see here in this debate this afternoon is really a conflict in philosophy. Some folks here honestly believe Washington needs the people's money more than the people do. We respectfully submit that is exactly backwards.

The American people need more of their hard earned money especially in these times of economic uncertainty, and joining together with the passage of H.R. 3 this afternoon, we take this important step.

Mr. Speaker, I urge my colleagues to vote in the affirmative.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Washington (Mr. MCDERMOTT), a senior member of the Committee on Ways and Means.

Mr. MCDERMOTT. Mr. Speaker, I am here to oppose any tax cut until we get a budget.

Now, the last speaker, the gentleman from Arizona (Mr. HAYWORTH) said we do not need a budget. Let me tell you why we do. I sit on the Budget Committee, as well as on the Ways and Means Committee, and we had the wizard from Wisconsin appear before the Budget Committee.

That was former Governor Thompson who is now head of HHS. He did not answer a single question that comes from the budget book ''A Blueprint For New Beginnings which the President sent to us and told us about.

On page 15, this book says that Medicare is going to be $645 billion in the hole over the next 10 years. On page 51,

the President says we will put $153 billion into Medicare. Now that is $400 billion that will not be there for Medicare.

Better yet, the wizard says I am going to give you a prescription drug benefit. In that $153 billion they are sticking in, somewhere they are going to come up with $159 billion for the prescription drug benefit this House passed in the last session. Those numbers do not add up, and that is just one part of this budget.

I was in Seattle the other day listening about whether I should come back from the earthquake which nobody predicted. The projections on earthquakes are kind of bad. They said there was going to be 2 feet of snow here, so I got on the plane in Seattle, and I arrived here and walked off and there were two flakes.

Anybody who votes for this tax budget is reckless.

I will not support a tax cut without a budget.

I. NEED BUDGET FIRST ARGUMENT

I went to the Budget Committee hearing yesterday where Secretary Thompson testified. He could not answer a single question about how we are going to meet our financial obligations for Medicare.

The President allocates $153 billion to modernize Medicare—this includes a prescription drug benefit and his Immediate Helping Hand program. This "modernization" effort will not give the Medicare program the infusion of dollars it so desperately needs. This amount will not even be enough to fund a prescription drug benefit, let alone have any success in so-called modernization. Last year's House Republican plan alone carried a 10-year price tag of $159 billion. But according to many health care analysts, even this amount is inadequate.

The administration puts Part A HI surplus into a $842 billion contingency fund. This fund must be the same "one trillion additional reasons" to which the President referred in his speech last week as to why we should feel comfortable with his budget.

But the administration promises the HI fund will be used only for Medicare. So really, this fund is worth only about half of that amount.

The administration combines Part A and B and tells us we are really in a deficit. Using the administration's own numbers, I asked the Secretary, how are we going to meet these obligations—is it through increasing the payroll tax, decreasing benefits, decreasing payments to providers? He could not answer the question.

The program needs an infusion of money, but the Secretary does not know how to achieve that. Of course not—the administration is trying to ram a tax cut down our throats before considering the budget.

Where is the allocation of money for the President's tax credit proposal to help the uninsured? I suppose that is one of the trillion reasons why I should feel comfortable with his budget.

II. ECONOMIC STIMULUS ARGUMENT

We are told that the reason that this tax bill was rushed through the Ways and Means Committee, and rushed to the floor is because our economy is in dire need of a tax cut. We must stimulate the economy—we are told. But this tax cut was proposed in 1999. It had nothing to do with the economy then. Furthermore, the principle reason CBO's budget projections show larger surpluses in their latest estimates is that CBO now believes the economy generally will be stronger over the next 10 years than previously thought. This completely undermines the argument that a large, permanent, and growing tax cut is needed to help ward off the impending arrival of a weak economy.

His tax cut will give $360 to families in the first year—this is a dollar a day. If you're lucky, you can buy a cup of coffee. How can we expect one dollar a day to stimulate the economy?

Supporters claim that knowing your marginal rates will be increased will cause people to spend which will in turn stimulate the economy. All that will increase is their personal debt!

Not to mention, this tax bill is dead-on-arrival in the Senate, where they will wait until after they've passed their budget.

III. GOVERNMENT SPENDING IS GOOD ARGUMENT

There has been much focus on Chairman Greenspan's testimony and the peril of reaching zero debt. There is a misconception that government spending is a bad idea. Republicans ask—who needs the money more—the American people or Washington, DC. But this is a completely misleading question and not the choice with which we are faced.

Government spending is money spent for the people—for the welfare of our citizens and includes social goods that individuals independently would not have otherwise purchased.

Take for example the latest disaster in my district, in Seattle. We just experienced an earthquake registered at 6.8—6.8 in India leveled buildings and caused massive loss of life—thousands of people. But in Seattle, we were extremely lucky. There was no loss of life.

I was just there. I saw the extent of the damage with my own eyes. While there was an estimated $2 billion worth of damage, it could have easily been so much worse—had we not prepared.

But we did prepare—with the help of a government program called Project Impact. Seattle was one of seven cities chosen for $1 million pilot programs in 1998. This forward-looking program linked community leaders to corporations interested in blunting the economic fallout from natural disasters.

The government provides the initial seed money and suggestions to get various stakeholders involved and invested in prevention and investment efforts.

Project Impact began with seven pilot communities and quickly became a nationwide initiative as more communities began to see the value in disaster planning. Today there are nearly 250 Project Impact communities as well as more than 2500 businesses that have joined Project Impact as partners.

As I surveyed the damage myself, I said—"This initiative worked!"

This is a prime example of government spending for the public good. But unfortunately, this administration wants to abolish it to save $25 million, as they try and find the funds to pay for their $2 trillion tax cut.

This is also a perfect example of why government spending is good, and why I will not vote for a tax cut before I know the budget.

IV. TAX CUT IS BIASED AND UNFAIR ARGUMENT

The tax cut proposal from President Bush is biased and unfair, giving disproportionately less money to working poor families.

Bush supporters talk in terms of marginal tax rates and percentages, but not dollars. They will tell us that the poor receive a large reduction in marginal tax rates in order to help them obtain access to the middle class. But they do not tell us that one in three families receive no benefits.

Twelve million families with children would not receive any tax cut. One-third of all children and more than one-half of black and Hispanic children live in excluded families. But 80% of these families have workers. In other words, they pay taxes, payroll taxes. They have contributed to the very surplus President Bush is trying to raid.

Why shouldn't all Americans benefit from the economic growth and prosperity that has resulted in our surpluses?

Yes, I believe in a lockbox for both Social Security and Medicare, but there are ways to give breaks to lower income families with no tax liabilities.

If President Bush really wants to help hard-working individuals obtain access to the middle class, why does he reduce rates across only the first 25% of income within the 15% bracket income tax rates—to 10%, while all other income amounts within all other tax brackets experience the rate reduction. Why am I not surprised?

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentlewoman from Washington (Ms. DUNN), a member of the Committee on Ways and Means.

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Ms. DUNN. Mr. Speaker, there are two reasons for the tax relief bill that we are considering on the floor this afternoon. First, as the Federal Government continues to amass surpluses, we must share this reward with the people who produced it. The longer we delay providing tax relief, the less likely it will materialize. Because we know that it is a fundamental fact that, if that money stays in Washington, D.C., it will be spent.

Under this bill alone, a typical family of four with an income of $55,000 a year would see a tax cut of nearly $400 this year; and under the entire bill, which we will be addressing later on, $2,000 once the plan is fully implemented.

Second is, as the economy softens, tax relief will provide critical stimulus to prevent this country from going into a prolonged recession.

Wait for the budget. Sure, we could do that. But H.R. 3 would increase family income. It will boost economic activity, and it will contribute to job growth. We need to get this tax relief moving now. Why wait?

The critics and doomsayers claim that H.R. 3 is too large, it is reckless,

it is unfair. I respectfully disagree on all counts. The bracket reduction represents 25 percent of the projected budget surplus. It is also fair. Under H.R. 3, every taxpayer will receive relief, every taxpayer. It targets no one in and no one out.

Indeed, those in the lowest bracket will garner immediate benefit retroactive to the beginning of this year. Mr. Speaker, I urge my colleagues to support this bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOOD). The Chair asks Members not to have signs posted when they are not standing at the podium. The Chair would prefer that when Members come to the podium, they can put their exhibit up, but not before beginning their remarks.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. MCNULTY), the gentleman in the well who has the sign up there.

Mr. MCNULTY. Mr. Speaker, the American people have seen so many numbers recently. I know their eyes are glazing over. They do not know who to believe.

This is going to be the simplest chart my colleagues are going to see in this debate today. I am going to use all the President's numbers. You will see no McNulty numbers no Rangel numbers, no Gephardt numbers; all the President's numbers.

He says we are going to have a $5.6 trillion surplus in the next 10 years. We think it is like a weather forecast. But let us assume it happens. We get the $5.6 trillion. He pledged at the podium behind me very recently that we were going to reduce the national debt by $2 trillion. I like that. I support the President in that regard. That takes us down to $3.6 trillion.

He also pledged to protect Social Security and Medicare. Every person I am looking at on this floor voted to do that with the lockbox legislation just a couple of weeks ago. That is $2.9 trillion. All his numbers. That takes us down to less than 1 trillion, 700 billion dollars.

If one subtracts from that, not the 1.6, not the Rangel 2 trillion, not the Gephardt 2.2 trillion, just what we are doing today, just $900 billion. And subtract that from what is left, you have a deficit of $200 billion. All the President's numbers. Even if this projection comes true.

Mr. Speaker, we should not go back to the days of deficit spending. We owe more to our children and grandchildren than to drown them in a sea of red ink.

I urge my colleagues to reject this proposal, to support the Rangel substitute.

Mr. THOMAS. Mr. Speaker, those numbers are very bright, they are very bold, they are nicely drawn, they are absolutely wrong.

Mr. Speaker, I yield 15 seconds to the gentleman from Louisiana (Mr. MCCRERY) on how wrong the numbers are.

Mr. MCCRERY. Mr. Speaker, the numbers of the gentleman from New York (Mr. MCNULTY) are incorrect. They are not the President's numbers. He double-counts $2 trillion of the $2.9 trillion of Social Security surplus.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON), a member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, it is $363 billion over 5 years. So when one is talking in bigger numbers like that, one is absolutely wrong.

Do my colleagues know what? This is a great day for every American who pays taxes, because today we are going to give each and every American some of their own money back.

Unlike the Democrats, Republicans know that the surplus is the people's money, not the government's money. It is a tax surplus. With a slowing economy and public confidence slipping, we have got to act now because our failure to act could just make matters worse. That is irresponsible.

We do represent the people of the United States. That is why every Member of Congress should vote to approve this fair and responsible tax relief bill. It returns money to those who need it the most, low- and middle-income families. Do not deny them their own money. They worked hard to earn it, and we ought to work just as hard to give it back.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I am one of the Blue Dog members on the Committee on Ways and Means, and I tell you, we want as large a tax cut as is responsible and consistent with protecting Social Security and Medicare and retiring the national debt, not to mention the needs of military, education and agriculture. The way you do that is you get a budget. I know of no prudent business person in this land who would make a critical operating decision in his company without a budget.

And, you know, people are overtaxed. Let me give my colleagues one reason why. Look at the debt of this country. Every person in this country is responsible for $20,300 of debt. For a family of four, that is $82,000 worth of debt that they have on them.

Retiring the debt is one of the priorities of the Blue Dogs. We think there is room to do both. But the way you do that and to make sure that you are in a position to do both is to have a budget first and then you get to where we want to go with the tax cut.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Minnesota (Mr. RAMSTAD), a member of the Committee on Ways and Means.

Mr. RAMSTAD. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, for the life of me, I cannot understand how those opposed to tax relief can make spending decisions based on projected revenues. You can spend the taxpayers' money based on projected revenues, but you cannot provide tax relief based on those same revenues?

All we are talking about, Mr. Speaker, is returning 1 of 4 surplus dollars back to the taxpayers. It is their overpayments that are creating the surplus. It is the taxpayers' money, not the government's money.

Let us put this into context. All we are talking about, those of us who support this much-needed tax relief, we are talking about returning 6 percent of the $28 trillion in government revenues over the next 10 years, 6 percent of $28 trillion in revenues. That is hardly a risky tax scheme or overgenerous to return 1 of 4 surplus dollars based on the same projections that you are spending money, that we are all spending money.

Our economy needs the stimulus of a tax cut. Every day in Minnesota, my constituents are telling me sales are slow, orders are slow, inventories are up, consumer confidence is down. More layoffs.

This tax relief will bring immediate relief to families who are pinched financially. It will lift consumer confidence and boost our sputtering economy. Our families need this tax relief, our overtaxed taxpayers deserve it, and economic growth in America depends on it.

People want to pay off credit-card debt. They want to make car and mortgage payments, pay energy bills. That is why we need to get this tax relief to them, as the President says, as soon as possible.

American people are paying the highest level of taxes in peacetime history. We need to return the surplus, the taxpayers' overpayments to them in the form of these marginal rate reductions. This tax cut will not threaten fiscal discipline, but it will mean real relief for American families and for our sinking economy. The taxpayers of America deserve this tax relief now.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, to the gentleman from Minnesota (Mr. Ramstad) and every single Member of this House who has talked about a surplus today, this is reality. I have challenged every one of you to say it is not true.

Our Nation is 5 trillion 700 billion dollars in debt. What the gentleman from California (Mr. THOMAS) will not tell us is that the people who benefit the most from this tax break are the same people who own this debt and the

same people who are on the receiving end of $1 billion a day from the taxpayers in interest payments. They benefit the most.

What he will not tell us is that the people who benefit the most do not really care if we do not pay back the trillion dollars to Social Security, because they are not counting on that check. They do not need it. But the folks I represent do. They paid into that fund. We owe them a trillion bucks. I say we pay them back.

What the gentleman from California (Mr. THOMAS) will not tell us is that the folks who owe 228 billion to the Medicare Trust fund do not care if we do not pay it back, because they can afford private insurance. My folks cannot. They paid into this fund. I say let us pay it back. What the gentleman from California will not tell you is the folks who benefit the most on this tax bill do not care if we do not repay $165 million to military retirees because that is not what they are counting on to live. But the folks I represent did earn that money. I say let us pay them back.

Mr. THOMAS. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. COBLE).

Mr. COBLE. Mr. Speaker, what have the Republicans done for Americans. We reformed welfare, reduced capital gains tax. We have removed the earnings cap that penalized working seniors. We tried to repeal the estate tax and the marriage penalty; President Clinton rejected those proposals, however.

Mr. Speaker, today we say to American taxpayers, you earned it, you will get to keep more of it. Fairness and equity at work. Many of my Democrat colleagues, and I do not say this critically, promote a big, bloated Federal Government. Many of my Republican colleagues, conversely, encourage the maintenance of a small, lean Federal Government thereby freeing up more money for taxpayers. Yes, the debt has stopped being ignored. The debt will continue to be paid down gradually, but we are not turning a deaf ear or a blind eye to the American taxpayer who earned it in the first place. American taxpayers, this is a good day for you. This is a victory for you.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, there are many reasons to vote against this bill. First, the numbers do not add up. The bill is much more expensive than advertised. I hear my colleagues say that all taxpayers will benefit. We know unless we fix the alternative minimum tax, that is not true, the bill is going to cost more money. It is based upon 10-year projected surpluses. CBO has never been able to project a surplus 2 years accurately let alone 10 years accurately. The surplus could be $2.5 trillion less than we are advertising.

We know that the passage of this bill will make it much more difficult for us to deal with Social Security, Medicare, prescription drugs, paying down our national debt and investing in education.

This bill violates our own budget rules. Section 303 of the Budget Act says we are supposed to have a budget before we bring up any revenue bill. The Committee on Rules waived that budget violation. Section 311 of the Budget Act says all tax bills have to be within the existing budget. This violates that budget rule.

Then we are trying to work in a bipartisan way. I heard the President over and over again say let us work together. One would think the first thing we would want to do is work out a bipartisan budget instead of bringing forward piecemeal tax bills. This is not a good sign for us working together in a productive way. This bill is reckless. This bill is wrong, and I encourage my colleagues to vote against it.

Mr. THOMAS. Mr. Speaker, I think a good sign to the American taxpayer would be voting tax relief.

Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), a member of the Committee on Ways and Means.

Mr. HERGER. Mr. Speaker, I rise in support of H.R. 3, the Economic Growth and Tax Relief Act of 2001. This legislation will provide real tax relief for American families at a time when it is urgently needed. Simply put, Americans are overtaxed considering that Americans today face a higher tax burden than they have at any other time since World War II. In fact, on average families today pay more in taxes than they spend on food, clothing and shelter combined.

Once fully phased in, President Bush's plan will enable the typical family of four to keep at least $1,600 more of their own money. This is real help for families trying to make ends meet. $1,600 will pay the average mortgage for almost 2 months. This relief will pay for a year's tuition at a community college or the cost of gasoline for two cars for a year.

In my home State of California, families will be able to use their tax refund to help cope with our State's high energy costs.

Let us be clear. If we leave the tax surplus in Washington, it will be spent on bigger government. Americans have been overcharged, and it is time to give them their refund.

□ 1430

The legislation before us is a critical first step in this process. I urge my colleagues to support this legislation.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York (Ms. VELÁZQUEZ), the senior Democrat on the Committee on Small Business.

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in strong opposition to the President's tax plan.

My colleagues, we are here today to talk about tax cuts, but let us spend a little time examining how the President is going to pay for this tax cut. The President says his budget will increase access to capital and expand opportunities for small businesses throughout America. But let us be clear. This tax proposal is paid for on the backs of this Nation's small businesses.

To pay for what we are voting on today, the President's budget tacks on exorbitant fees for SBA loans that increase the costs on small business owners by up to $2,400 for each loan and $7,000 over the life of the average loan. Ask any small business owner and they will tell you that ''fee'' is code word for ''tax.''

But small businesses needing access to capital are not only the only ones being taxed. To add insult to injury, the President's budget proposal goes after those small businesses that have their businesses destroyed through a natural disaster. Many of the Members of this body have seen the effects of natural disasters. The assistance provided through disaster loans gives hope for small businesses. But the President's budget effectively kicks them when they are down by forcing them to pay an additional $7,000, making it impossible for them to ever rebuild their businesses.

I ask and I urge the Members to vote ''no'' on this ill-conceived tax plan.

Mr. THOMAS. Mr. Speaker, may I inquire about the time remaining on each side.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from California (Mr. THOMAS) has 17 minutes remaining, and the gentleman from New York (Mr. RANGEL) has 18½ minutes remaining.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Wisconsin (Mr. KLECZKA), a senior member of the Committee on Ways and Means.

Mr. KLECZKA. Mr. Speaker, the question before the House today is not whether or not we should have a tax cut; the question is what size should a tax cut be.

This meager little 7-page bill before us has a price tag of almost $1 trillion. Well, that is fine, but I ask my colleagues, is the $1 trillion here today? And the answer is no. That is a 10-year projection. So what we are in essence doing is committing money today that we think and hope and pray will come to Washington in the years 2006, 2009, 2011.

How many of my colleagues would plan a vacation based on a 10-year weather forecast? Would they reserve the hotel room? Would they buy the airplane ticket because they were told that on a particular week or day in the

year 2009 it is going to be good weather? We would all think that is sheer nonsense. Well, my friends, that is what we are doing today.

So the Democrats are saying, let us go slower, and if in the year 2006 the surpluses, the projectors, the crystal ball is right, we will cut taxes again. We did this only 20 years ago. A similar Congress with a Republican President cut taxes. And what happened to the country? We ballooned the national debt from $1 trillion to almost $4 trillion. So what I see happening today is deja vu.

We have not paid off the old national debt. In fact, I saw a friend of mine at the airport and he said, JERRY, vote to send my money. I want my money back. And, I said, I am going to do that. But, my friend, what should I do about your national debt, totaling $12,500?

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume to merely respond that someone once said that everyone talks about the weather, but no one can do anything about it. This is tax reduction. We can do something about it. We can vote aye on H.R. 3.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON), a member of the committee.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of H.R. 3.

The time is right. The time is now to give hard-working Americans substantial tax relief. It simply amazes me that Americans spend more in taxes than they spend on food, clothing, and housing combined. The tax burden on ordinary working people in today's America is higher than it has been at any time since World War II, and the average household pays two and a half times more in taxes than it paid in 1985. This is unacceptable. It is unfair. It is just plain outright wrong.

Let us look at what is happening to those tax dollars that they are pouring into Washington. For one thing, they are building up a surplus faster than at any time in our history. Just yesterday, our Secretary of the Treasury said that right now, this month of March, our surplus is $75 billion. A year ago, in that economic year, at the same time, it was only $40 billion. So in spite of the leveling off of the economy, the surplus is growing more rapidly now than it was a year ago. The surplus dollars are our taxes. They are just the fruit of the hard labor of the American people.

We can reduce the debt; pay it right down. We can spend on our priorities like education and health care; and, yes, we can and must reduce people's taxes. It is their money. They deserve a portion of it back, and they deserve that today.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I thank the gentleman for yielding me this time.

Despite our President's promises to end the partisan tenor in Washington, our congressional Republicans continue to use the same old tactics. This does not match the procedure the President stated as his goal. For the last 2 days, Congress has debated two extremely divisive issues. Yesterday, after 1 hour, we undid job-safety standards we had been working on for 10 years; and today we are considering a tax bill that could wipe out the current surplus and our effort to reduce our $5 trillion national debt.

What is worse, we are doing this without a budget. We do not know what else we are doing with the people's money. We do not have any contingency funds. We are just racing around this process with the hope that when we are finished we will still have some money left over.

We should have a budget in place before we start either spending or cutting revenue. We need to protect Medicare, Social Security, we need to pay down the debt, and we need to make sure there is money for our children's education, health care costs and energy bills. We can cut taxes, but we need to look at it responsibly, Mr. Speaker.

I support a broad and even retroactive tax cut. I do not want our citizens too overburdened by a tax system any more than our Republican colleagues do, but we know the priorities of our citizens is not immediately to have a tax cut.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. PORTMAN), a valuable member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I thank the chairman for yielding me this time, and I applaud him for this tax bill, which is a great tax relief effort; and I will be strongly supportive.

I want to just respond briefly to what my colleague from Texas said. I have never seen any President, Republican or Democrat, reach out so much to the other side. I look at some of my Democrat colleagues over here, who have been down to the White House with me to meet with the President, and I know they have been down there without me too, so he has reached out. He has tried to bring Democrats and Republicans together, and he has put together, with the gentleman from California (Mr. THOMAS) and the Committee on Ways and Means, a very responsible bill here.

First of all, it fits within the budget. The President outlined the budget last week. We are protecting Social Security and Medicare as we never have before. For over 30 years, we raided that trust fund. We are not doing that. We are protecting Social Security and Medicare. We are paying down the debt in a way we never have before. We are paying down more debt in his budget than we ever have in the history of this country. In fact, we are going to pay down all the available debt. So I do not know what people are talking about in terms of the debt.

After all that, we are going to have some spending increases in places like education and the military, and still there is room for tax relief for the hard-working American people who created every dime of this big surplus we have.

People are overtaxed. We just heard earlier people spend more on taxes now than they do on food, shelter, and clothing combined. We have the highest tax burden since World War II. Taxpayers in Ohio need some relief. I know they do. And they ought to get it.

Finally, I want to say that we need to do this for the economy, even if it did not fit in the budget so neatly, even if taxpayers were not so overburdened with taxation. Do any of us want to see us go into a recession? Every economist will tell us that tax relief is going to help the economy. It did when President John Kennedy passed tax relief, which incidentally was much larger than this tax relief. This is about half the size of John Kennedy's tax relief. When Ronald Reagan did it again in 1981, and incidentally it was a lot more than this tax relief, it was about three times higher than this tax relief, it helped the economy.

We can disagree on the impact precisely, whether it will help a lot or a little; but we know it will help the economy. In Ohio, people are talking about layoffs. Around the country all the economic data is very troubling. We have to do this tax cut to give this economy a boost, to be sure we can keep the good jobs we have, and expand the economy and continue the prosperity this country has enjoyed over the last decade.

Vote for this bill. It is good tax policy, it fits in the budget, people need it, and it is necessary for the economy.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may need to just advise my colleagues that the House rules say that the House has to have a budget, not the White House. That is the House of Representatives. And that we do not have.

Mr. Speaker, I yield 1½ minutes to the gentlewoman from Florida (Mrs. THURMAN), a member of the Committee on Ways and Means.

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

Mr. Speaker, America's families decide what they can spend based on their yearly income and not 10 years out. Should we in the people's House act differently? No. Congress has no idea how it will meet our national priorities, Medicare, prescription drugs,

education, tax cuts and more, because we do not have our national family's budget planned.

But the House is willing to jeopardize all of these priorities if the projections are wrong. If a family's projections are wrong, they must dig into their savings or take out loans. If our projections are wrong, then Congress will have to take out loans or use our savings, Social Security and Medicare.

Quite frankly, I do not know about my colleagues, but I do not want to go back to the time when interest rates were 18 percent, when working families could not afford to buy homes, when unemployment was high and underemployment kept workers at low wages. I think it is time for prudence to guide us.

I think we should first look at the country and give us a real honest and responsible budget with tax cuts, just like we did in 1997. I do not think that is too much to ask for.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. CAMP), a member of the committee.

Mr. CAMP. Mr. Speaker, I thank the chairman for yielding me this time.

Over the next 10 years, the Federal Government will collect more money than it needs to operate. Even after setting aside money to protect Social Security and Medicare, the government will collect much more than it needs. If that money is left in Washington, there is no doubt that it will be spent, when in all fairness it should be returned to the American people.

Today, the average American family pays more in taxes than on food, clothing, and shelter combined. Every dollar that passes through the taxpayers' hands on its way to Washington is a dollar that could be saved for a child's education, used for necessary living expenses or household repairs. In my district in Michigan, I know these dollars could be used to help with the high cost of gasoline and heating fuel.

High taxes are not only a tax on the ability to create wealth for working people, they are a tax on opportunity itself; the opportunity for Americans to determine their own destiny, make their own choices, and keep more of what they have worked so hard to earn. These values are the essence of democracy itself. It is the people's money. They worked hard for it, and they deserve it. They deserve a refund.

Today, we have a great opportunity. It has been 20 years, since Ronald Reagan was a new President, to see any significant Federal tax relief. Let us vote to give the American people a refund.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. DOGGETT), a member of the Committee on Ways and Means.

□ 1445

Mr. DOGGETT. Mr. Speaker, the notion that this tax bill will correct the economic slowdown is truly a fantasy. This proposal was concocted during last year's Republican campaign primaries. It was not developed during hard times, and it is certainly not designed for hard times. The only reason that its supporters seem preoccupied with the thought of recession is that they cannot sell this distorted tax cut any other way.

This year, the daily benefit to the typical American family of this tax bill will be less than the cost of one good cup of coffee. That is pretty wimpy help when you get right down to it. And if your family does not want to share a cup of coffee, you can use your big tax savings to buy a can of beans every day. Or, down in Texas, black-eyed peas, with a few pennies to spare. And not just any beans, you can get Bush's Best black-eyed peas or beans. In fact, if they have got coupons at the grocery store, you can probably get a couple of cans of beans so everybody will have extra helpings every day as a result of this Bush's Beans tax cut.

For the average American family, it is not $1,600. This year this is the Bush's Best Beans tax cut. And that is all that it amounts to. But while you get so very little immediate tax relief, over time, over 10 years, the wealthiest Americans get a huge bonanza of benefits out of this bill. The disaster that will occur to Social Security and our children's educational opportunities is a very, very serious one, if we approve this bill without ensuring that it can fit within an overall balanced budget. I am for all the tax relief that fiscal sanity will permit, but even the Republican economists have made it clear that this Bush tax cut is not about the economy, it is about overpromising to the privileged at campaign time.

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

I anxiously await creating a larger tax cut so the gentleman can add to the canned beans something he is quite familiar with, canned ham.

Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Illinois (Mr. CRANE), the senior member of the Committee on Ways and Means.

Mr. CRANE. Mr. Speaker, I rise in strong support of the Economic Growth and Tax Relief Act of 2001. When Governor Bush released his tax relief proposal during the campaign with tax reductions as its centerpiece, I knew we had the right program at the right time. I congratulate the gentleman from California (Mr. THOMAS) for moving the rate reductions so quickly through the Committee on Ways and Means. I urge my colleagues to support it, and I urge the Senate to pass the same measure at the earliest possible occasion.

I know many of our friends on the other side of the aisle are concerned that we have moved this bill so quickly. Some, like my friend the gentleman from New York (Mr. RANGEL), have said we should wait until we have a budget resolution. I respectfully disagree. There is no question the surplus projections will permit the size of tax cut before us without endangering Social Security or Medicare and without endangering our other priorities, including debt reduction. The only information a budget resolution would provide us is how much additional tax relief the Congress can provide this year.

I also believe it is imperative that we pass this bill without delay. We must act quickly to build credibility with the American people that this Congress will make good on the President's promise to cut taxes. We have experienced a high degree of gridlock in recent years. The American people are waiting to see if President Bush can work with the Congress to enact important legislation. Nowhere is this more true than with respect to tax relief. We have talked about major tax relief for many years, with little to show for it because of President Clinton's opposition. The American people, naturally enough, are skeptical that we will really give them the tax relief that President Bush has promised.

With our economy struggling, timely tax relief is exactly the right complement to the interest rate cuts made by the Federal Reserve in recent weeks. But the real effect of these cuts is not that it puts cash in people's pockets today but that it promises to reduce their taxes tomorrow. It is the expectation of lower tax rates that alters decisions to invest and work today that increases economic activity today and tomorrow. Incentive effects like these, which are the real engine of a tax policy that strengthens the economy, are forward looking. But for these incentive effects to take hold, taxpayers must have some confidence that the tax cuts will be enacted. And that is why we must act so quickly, to build confidence in the minds of the taxpayers that we will enact the promised tax relief, so that they can build these lower tax rates into their plans, so that the economy will strengthen more rapidly.

I urge my colleagues to support the bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. PELOSI), a member of the Committee on Appropriations.

Ms. PELOSI. I thank the ranking member for yielding me this time.

Mr. Speaker, today the Republican majority rises to a new level of recklessness and irresponsibility by proposing a tax cut which benefits the wealthiest Americans, giving 44 percent of this tax cut to the highest 1 percent of our country. And who pays for this gift to the richest Americans? America's working families. We all know that the biggest and best tax cut

is low interest rates. Low interest rates on our home payments, car payments, mortgage payments, credit card payments. If we instead would pay down the debt instead of giving this gift to America's wealthiest, we would be able to enable America's working families to have the best tax cut of all.

We do not have the surplus Members are talking about here. First of all, we are talking about a tax cut based on a budget we have not seen, on a surplus we cannot guarantee, at a time when we have unmet needs in our country. We have unmet needs in education, in prescription drug benefits. Why should our children and our seniors pay for this tax cut to the wealthiest? I urge our colleagues to vote no.

Mr. THOMAS. Mr. Speaker, it is with great pleasure that I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH), a member of the Committee on Ways and Means.

Mr. ENGLISH. Mr. Speaker, I think the time has come for candor. We need to recognize that America is experiencing a slowdown. After we have seen the smoke clear from last year's election campaign, it became increasingly obvious that the economy was not doing as well as some had claimed. And in the manufacturing sector that makes up so much of the economy of my district, we are clearly experiencing a recession. We have an opportunity to move forward right now and change those dynamics. But the only way we can do it is by recognizing that in this background, we are imposing the heaviest tax burden in peacetime ever on the American economy, and we need to recognize that if we are going into a recession, the last thing on earth we want to do is run a huge surplus.

Our tax bill would address that issue. Our tax bill would stimulate the economy, lower the tax burden and encourage growth, savings and investment.

A recent study by the Heritage Foundation of H.R. 3 suggests that this bill would clearly increase economic growth, increase investment, increase savings, increase family income and over 5 years create 500,000 new jobs. Now, our opponents are making phony procedural arguments against the bill and using strange numbers. But the fact is they want to spend the money. We want to give it back to the American public so it can stimulate the economy and get our economy back on a growth track. There is nothing more urgent facing this Congress than the right kind of economic policy. We should act swiftly to pass this tax cut and send the resources back to the economy.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. BOSWELL).

Mr. BOSWELL. Mr. Speaker, I will recall again, if I could, for all of us that the President came up to Nemacolin here a few weeks ago and he shared with us and we appreciated it very, very much. We asked him there, can we see a budget? And he said yes. And that has come forth. None of us expect that to be a perfect document. We have the gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) to work on that. We would like to see what they will produce and come forward with.

So I am wondering, is this a criticism, what we are doing without a budget, is this a criticism of the President's ability to lead or is this a criticism of the folks to follow? We have got our work to do. We have not done it. Common sense would tell us we would not expect to do this with a business or a family. We have heard those comments made several times. We would not go ahead and do something to our family and plan a vacation and not have kids to have their shoes for school or whatever. We would not do that. Let us not gamble on our future. We do not have to. We have got a better situation. We do not have to do that.

A little bit ago, someone referred to 1981. We do not have the luxuries of 1981. We do not have a $1 trillion debt. We have got $5.7 trillion. We ought to deal with it.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Wisconsin (Mr. RYAN), one of the newer members of the Committee on Ways and Means.

Mr. RYAN of Wisconsin. Mr. Speaker, I thank the chairman for yielding me this time. I have been listening to this debate with a lot of wonder. I am a newer member to the committee and a newer Member to Congress. It is amazing to me the excuses we are hearing to further separate people from their own money. We hear that this tax cut is just too big, it is irresponsible, we cannot handle it. I refer Members to this chart which shows that this is six cents on the dollar, six cents on the dollar that every American taxpayer is sending to Washington over the next 10 years. $1.6 trillion out of $28 trillion.

More importantly, what is this all about? People are overpaying their taxes. Everybody who pays income taxes are overpaying their income taxes. That is why we are trying to pass this now. I hear this bizarre excuse that the process is wrong, that we should do this bill in October, not in March. I encourage Members of Congress to take a look at this chart. This was the cover of Newsweek not too long ago: ''Laid Off, How Safe Is Your Job?'' In the First District of Wisconsin, we are losing jobs by the thousands. We do not have time to wait to give people money back in their paychecks. Energy costs, job rates, they are chewing up the paycheck of working Americans. We are trying the highest tax burden we have in the peacetime history of this Nation.

It is time, it is more than time, that as people overpay their taxes, especially after we are paying off the debt and protecting Social Security and Medicare, as people continue to overpay their taxes, we give them some of their money back. That is what we are doing today. All of these excuses are other attempts to further separate people from their own money as they overpay their taxes, so, guess what, they can spend that money here in Washington.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Nevada (Ms. BERKLEY).

Ms. BERKLEY. Mr. Speaker, I came here today to vote for an across-the-board tax cut, but the tax cut that I support must be fair, it must be responsible, and it must ensure that this country pays down its national debt. Sadly, this tax bill does none of these things.

When my constituents in southern Nevada sit down to figure out how much of their paychecks they can afford to spend, they know better than to spend money they do not have, or money that they need to pay their bills, or money that they might earn in the future. Unfortunately, this Congress has not learned these simple lessons. We are getting ready to pass a very large tax cut. How will this tax cut affect our education system, our seniors, our prescription medication plan, our veterans, our military? We do not know, because we have not got a budget yet.

I want to pass a large tax cut but to do so without a budget, without protecting Social Security and Medicare, without paying off our national debt is irresponsible and inappropriate. We should be here voting on a bipartisan bill that fits our budget and helps American families. We are not. We are attempting to ram something through without hearings, without input, without reasoning.

It is very disappointing, Mr. Speaker. I cannot condone this process, and I am not going to be a party to it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Speaker, like most Members of this body, I support tax relief. But today we are debating this bill in clear violation of the budget law which states, quote, the concurrent resolution on the budget must be adopted before budget-related legislation is considered.

This body is in violation of sound budget procedure, and we are in violation of common sense. Who among us would dream of building a house without a blueprint? That is what we are being asked to do: to shout through a tax cut costing $1 trillion on the way to $2 trillion, benefiting mainly the richest 5 percent of taxpayers, before

we have a budget resolution or a detailed budget proposal from the administration.

With this tax bill, we would bet the store on shaky surplus projections, more than two-thirds of which are more than 5 years away. If you need any lessons on the unpredictability of projections and forecasts, just ask the school children in my district about the snow day they were promised last Monday!

This bill would compromise our ability to pay off the national debt. And it would make it impossible to meet the obligations both parties have made without a high and unacceptable risk of deficit spending.

This is a case of putting the cart before the horse if there ever was one. Vote no.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, Abraham Lincoln called on the better angels of our nature. President Franklin Roosevelt asked us to set fear aside. President Kennedy asked for sacrifices to enhance the common good. But the rallying cry of the Bush administration is, ''It's not the government's money, it's your money.'' That is a shriveled-up vision of what the American people care about. We are better than that. The American people want and deserve lower taxes, but not a cut so large that seniors still cannot afford their drugs, our kids are stuck in inadequate schools, and baby boomers lose benefits under Social Security and Medicare. This Republican tax cut is a clarion call for more spending on luxury goods by the wealthiest Americans.

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To those seniors who cannot afford their prescription drugs, this bill says forget it, they are on their own. To those students, teachers and parents who know that our schools need full funding of special education, this bill says, forget it, they are not a high priority.

To the baby-boom generation not far from Medicare and Social Security, this bill says forget any help from general revenues any time soon.

Support the Democratic alternative.

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

Mr. Speaker, I am just a little bit confused now. I thought all we were giving was a can of beans and now we are depriving virtually every American of a significant portion of their share of the American pie. I just really wish my colleagues on the other side would get together on their side in terms of which argument it is going to be.

Mr. RANGEL. Mr. Speaker, will the gentleman yield? It is as clear as it could be.

Mr. THOMAS. If the gentleman wants to yield on his time I would be more than willing to do that.

Mr. RANGEL. No, because I think it is very clear what we are doing. The gentleman is making it cloudy.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky (Mr. LEWIS), a valued member of the committee.

Mr. LEWIS of Kentucky. Mr. Speaker, in the true spirit of bipartisanship, I want to be as partisan as my colleagues across the aisle. There they go again. They say they want tax relief, but actions speak louder than words. Their history: Big spending, big taxes, big government, and they are fighting with all their heart, mind, soul and body to stop tax relief. That is the bottom line.

The sad part about this is that the President offered a hand across the aisle in a true bipartisan spirit for their help to give the American people a refund on their money. What did he get in return? A partisan slap in the face.

I think that beyond a shadow of a doubt what has been displayed here today with the Democratic dilatory tactics, the American people can see what the Democrats are all about. They have never seen a tax cut that they like. They have never seen a tax increase that they have not liked. They have never seen a big government spending bill that they would not vote for.

Mr. Speaker, let us get the money, the tax money, out of Washington and in the pockets of the American people.

Families need help, not Washington bureaucrats. If the Democrats refuse to help and Republicans have to do it alone, so be it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I want to thank the distinguished ranking member, the gentleman from New York (Mr. RANGEL), for yielding me this time.

Mr. Speaker, I have to say if we get any more bipartisan than we are here today, it is going to be an absolute miracle. We will have to remove the center aisle.

We favor tax cuts, but we do not favor a bigger debt. We are not in favor of running up the debt another $5.7 trillion. We are not in favor of our children having to pay off this debt. We are not in favor of not having a budget, not having a spending plan that will protect our children and protect Social Security and Medicare like both parties have over and over promised to do; provide an education for our children; do a better job for our national defense; take care of our farmers and our agricultural industry in this country and provide better infrastructure.

We all know we have to do that to be a successful Nation, and at the same time we can have these tax cuts but we need to have a budget first. This is absolutely ridiculous.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Massachusetts (Mr. MEEHAN).

Mr. MEEHAN. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, we have an historic opportunity to pay down the debt, cut taxes substantially for middle-class and working families, provide a Medicare prescription drug benefit for seniors and invest in the children of our country in education. Instead, we are snatching deficits from the jaws of surpluses.

Families watching this debate across America have to be scratching their heads. When they consider making major financial commitments, they first sit down at their kitchen tables with a pad and a calculator and see if they can afford it. When they cannot afford to repay their debts, they pay down those debts before using the money to buy new goodies. But some in this body, I guess, know better than the American people, because today we are passing a trillion dollar tax cut in a budget vacuum, and we are making excuses about why we cannot pay down the debt. Only in this Congress do we strap on a blindfold before making major fiscal policy decisions.

We can do better than this, and the American people know it. I urge a no vote on this bill.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, it has been said that those that refuse to learn from history are doomed to repeat their mistakes. I want to say that I support a fair, reasonable and affordable tax cut; but I cannot support this proposal because we have had no hearings; there is no budget; and there have been no opportunities for us to express our shortcomings with this proposal.

I want to also illustrate that if we are using the Texas model, and this is where history comes in, and President Bush has said over and over again he is using the Texas model, I want to point out that a Democrat and a Republican State Senator have said the following: Senator Chris Harris, Republican, said, we made tax cuts because we thought we had this huge surplus. I might have voted a little differently on all of these tax cuts had I realized that we were only funding 23 months of these programs.

A Democratic Senator said, we should have taken a harder look at the tax cuts. We did not look down the road and so now we find ourselves, as a result of these budget priorities, in a difficult hole.

This is what has happened to Texas because of two enormous tax cuts that then-Governor Bush proposed.

When he was asked about this on the campaign trail, then-Governor Bush said, I hope I am not here to deal with it.

Well, guess what? Texas is dealing with this hole today, a deficit that is as red as my tie. It is important that we not repeat the mistakes of the past.

I think it is more important that we realize that we must have a sensible, affordable tax cut proposal and not my way or the highway proposal.

I hope we do not repeat history again.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. COLLINS), a member of the Committee on Ways and Means.

Mr. COLLINS. Mr. Speaker, for 8 long years I have waited to tell the people of Georgia that the President of the United States has sent a bill to Congress which will reduce the tax burden on every taxpayer in America. That day has come.

Mr. Speaker, the previous administration was not only taxing Americans' wallets but they taxed their patience as well.

We suffered through 8 years of either tax hikes or so-called targeted tax cuts which were awarded to selected Americans who met certain criteria, who agreed to jump through certain hoops.

This Washington-knows-best type of tax policy is ending. Today we are considering across-the-board tax relief to all Americans, to all taxpayers, of every level so that they can keep more of their earnings and spend those earnings as they wish. They can save the money or they can spend it. It is their money so it should be their decision and not Washington's, Mr. Speaker.

The same old, usual complaints from those who are pained to see this money escape from Washington unspent we are hearing over and over again today. They say tax relief is too expensive, but the President's tax relief amounts to only 6 percent of all Federal revenues over the next 10 years.

They say it is unfair, but what is fairer than returning the overpayment of taxation back to the people who paid the taxes in in the first place? What is fairer than including the tax relief as part of a plan which strengthens defense, improves education and sets aside payroll tax dollars for Medicare and Social Security? What is fairer to the future generations than passing this relief as part of a plan which will allow us to responsibly pay down the publicly held national debt?

Eight years and coming, Mr. Speaker. Today is the day; now is the time to act. I urge a yes vote on this tax reduction bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, the President's tax plan is a gamble. It is a risky gamble. It is true, it is the public's money. The Bush plan is gambling with the public's money. It is gambling because there is no budget, and there is no clear indication what it would mean for education, for prescription drugs and others. It is a gamble because it would use 75 percent of the projected surplus, 75 percent, and leave little else for other things. That is only a projected surplus.

We have learned in the past how risky those projections are.

It is a gamble because 1 percent would receive over 40 percent, the highest 1 percent in income would receive over 40 percent of this tax cut, and they have their own money all ready for a gamble.

Some gambled in 1981, and it resulted in the highest deficits in the history of the world. Our alternative is fiscally responsible. Let us pass it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Louisiana (Mr. JEFFERSON), a member of the Committee on Ways and Means.

Mr. JEFFERSON. Mr. Speaker, I just saw a member of our Chamber of Commerce from back home who urged me to vote for this bill, and I told him it was incredulous to me how a man could fiscally ask that sort of question of me, because I reported to him that if he had had a great year at his business and could look down the road and see 4 or 5 other great years but had a big debt at the bank, what would he do about it? Would he send a dividend down to his shareholders or would he pay off his debt in advance?

He had to admit he would pay his debt off because to do anything else would be irresponsible.

This debate is uninformed by the claim that this is the people's money. Of course it is, as are all the taxes which are paid by the people. Does that mean we send all the taxes back to the people because it is their money? Of course, it does not. It means that the folks have entrusted us to make some fiscally responsible decisions about the expenditure of that money for their government. The money is here to support the government, support things that people cannot do by themselves that we do collectively. That is the whole idea behind it. We are making fiscally imprudent choices, unwise choices for the people now, and we are violating the trust of the public in sending back their money to them when we need to have our money spent on priorities that will meet the needs of the people back home.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Rhode Island (Mr. KENNEDY).

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise in strong opposition to this Reaganesque, trickle-down tax cut that will not spur the economy and will further deficits.

We are debating here today more than what the IRS's next batch of forms will look like. President Bush is proposing a major shift in our national priorities. The real debate here is over the sort of society we want to have, about the degree of responsibility we as a community are prepared to accept—for each other, and for the future. The question of taxes is merely a vehicle for this larger question.

I believe that the President's tax plan is a betrayal of the rhetoric he has used to cloak himself as a moderate. He claims that he is determined to leave no child behind, but he will leave millions behind if his plan becomes law. He talks about instilling a sense of responsibility, but proposes to saddle future generations with tremendous deficit. He touts help for working Americans while dramatically widening the income gap.

This bill, and the tax plan of which it is a part, is bad for America. I understand the House leadership's desire to pass it as quickly as possible, before the American people take a close look.

Because if they examine it, they will see that it rests on pie-in-the-sky economic forecasts. No responsible family would commit itself to spending patterns based on guesses about its income in ten years, and neither should the government.

They will realize that we have been here before, we have experimented with enormous tax cuts with disastrous consequences. The country cannot afford a return to the discredited supply-side, trickle-down economics of the 1980s.

They will notice, as the Republicans wish they wouldn't, that the tax cuts are appallingly tilted to the wealthy. Our nation has rarely been as polarized between rich and poor as it is today, yet the Bush plan would direct 43 percent of the tax cuts to people earning more than $300,000 per year.

And they will, I believe, agree that we have higher priorities as a nation than unfair, economically suspect tax cuts that will return the country to deficits and prevent investment in our people and our future.

To put the choices that we face in context, I'd like to ask you to imagine you had a brother. Imagine your brother graduated from college and got a good job with a decent salary. But your brother has expensive taste. In the years that followed he lived high on the hog. His earnings weren't enough and he borrowed to keep that lifestyle going.

At 35, your brother was pretty much maxed out on the credit cards, the mortgages, and the car loans. He was swamped with debt and spending nearly twenty percent of his income just on the interest.

So your brother, bless his soul, changed his ways. He tightened his belt, reined in his extravagant taste. Over the next eight years, your brother was paying down his enormous credit card balances, slowly. Although he's a long way from paying off his debt, he's finally started bringing in more money than he's spending, by a little.

Of course, his new approach was not without cost. He has been unable to put money away for his kids' education, or save for retirement, or pay for needed home repairs. But at least he's now in a position to do so in the future.

And now imagine that your long, lost Aunt Millie has died and left him a big pile of dot-

com stock options that vest in five to ten years. He calls you up, really excited. ''I'm back in the money!'' he says, imagining himself at the wheel of a Lexus, already plotting his new spending spree.

How are you going to respond to your brother? He's 43 now. He's spent eight years digging himself out of the mountain of debt created during his youthful indiscretions. He has been unable to provide adequately for his children or invest for the future. But in those stock options, he sees a big glittering pot of gold—never mind that you never know what the stock market might do.

So what will you tell him?

I've belabored this little story enough, but it does illustrate the juncture at which our country stands. The choices we make tell a lot about our values. This country is your fictional brother, poised to head off to Vail. What will we say?

The language of this debate is tax policy, but the substance of it runs much deeper. This debate is about priorities. It is about the sort of community we choose to make for ourselves. It is about our young children and our elderly parents, about the working poor and the uninsured, about creating an America we can be proud of.

We live in a national community that allows forty-three percent of its children to grow up poor enough to qualify for free or reduced lunches. Forty million of our citizens go without health insurance. Our public education system frequently consigns children to classes of thirty or more in crumbling buildings, without textbooks, where everyone including the students knows they will not learn what they need to know to escape poverty.

How can we possibly look at our society and conclude that addressing poverty and health insurance and education are less important than huge tax cuts? If we as a nation do reach that decision, what does it say about our American community? What does it say about us?

This choice is real. President Bush and the majority may try to spin it otherwise, but there is not room for both massive tax cuts and plans to address needs like health care, education, and Social Security in any meaningful way.

Underlying this new tax-cutting mania is the famous surplus. Let's look at that surplus. The Congressional Budget Office recently estimated the ten year surplus at five-point-six trillion dollars.

But nobody, including the CBO, knows what will happen five or ten years in the future. If you want proof, just go back to some old CBO projections. Only five years ago, the CBO was predicting deficits as far as the eye could see. The estimate for fiscal 2000 alone was off by almost half a trillion dollars! And that was only four years later. The prediction made five years ago for a single year, 2006, differs by nearly a trillion dollars from the estimate made this year.

As you can see, these numbers are not exactly rock solid. The estimated surplus is not money in the bank. In fact, more than 70% of the surplus that the President proposes to spend is projected in years six through ten. But if the CBO's five year projection is off by a half-trillion dollars again, there is no surplus.

So point one is that we are playing with dot-com stock options here. We are as reckless as your zany brother if we spend trillions of dollars now on the assumption that the ephemeral surplus will materialize as predicted.

It's also important to realize that more than half of the surplus predicted by the CBO belongs to the Social Security System and to Medicare. We shouldn't spend that money on tax cuts.

And we need to be prepared for future growth. The CBO estimates and the Bush tax plan assume that spending will increase only at the rate of inflation. This assumption is unrealistic because the population keeps growing. Every year there are more cars on the road, more travelers in airports, more students in college, more children eligible for Head Start, more kids in our public schools. We need to increase spending just to keep up with the increasing demand on government services.

The Bush tax plan ignores these considerations. Not only does it rely on untrustworthy numbers, it threatens to dip into Social Security and Medicare and it ignores the need for increased spending.

And nobody in Washington is talking about the ripple effect that this will have at the state level. As federal taxes are cut, state and local taxes, which are often at least partially tied to the federal tax rate, are going to have to be increased to make up the difference. In addition, because the federal government will have to cut back even further on services, pressure will mount on the states to pick up the slack. In a small state like Rhode Island, that prospect is particularly ominous.

So this bill and the Bush tax plan, first, rely on numbers nobody in their right mind would count on, and, second, spend even more than those numbers estimate to be available. If this sounds eerily familiar, that's because it is.

Like your hypothetical brother, this country has spent the better part of two decades trying to put its financial house back in order after the massive Reagan tax cuts of 1981. We have watched more and more kids wind up in poverty, counted the steady increase in the number of uninsured Americans, seen schools deteriorate, pleaded poverty as students struggled to keep up with escalating college costs, buried our heads in the sand about Social Security and Medicare's coming demographic crisis—all in order to slowly, painfully, clean up the mess caused by the last giant tax cuts.

But like your spendthrift brother, George W. Bush and the Republicans in Congress can't help themselves. The instant gratification of tax cuts overwhelms common sense borne of twenty years' experience.

We are witnessing the restoration of Reaganomics. The Republicans were wrong in the early '80s when Ronald Reagan promised that the huge tax cuts would balance the budget by 1984. Instead, we had the biggest deficits in history, the accumulation of a 4 trillion dollar debt, and higher interest rates. They were wrong again in 1993 when they insisted that raising the rates on the wealthiest taxpayers to pay down the deficit would cause economic disaster. Bill Clinton and the Democrats passed that budget without a single Republican vote and it began the biggest economic boom our country has ever seen.

For most people who lived through the last twenty years, supply-side economics has been thoroughly discredited. After the Reagan tax cut passed the House in 1981, short term interest rates shot up two full points in ninety days. The Dow fell 11 percent in the two months after the tax cuts became law. Within a year, four million Americans were out of work and the unemployment rate was in double digits.

Even David Stockman, who orchestrated the Reagan tax cuts, admitted in his 1987 book that the ''fiscal wreckage'' of that time was the result of the ''basic assumptions and fiscal architecture of the Reagan Revolution itself.''

It unfortunately appears, however, that George W. Bush missed the lesson about the folly of supply-side economics. Not only is he going back to the supply-side policies that brought on massive deficits, he is advertising this tax cut plan as tonic for the economy. But this is just old wine in a new bottle. Long before the warning flags went up about the slowdown of the economy, he was saying gargantuan tax cuts were needed.

You can tell his plan is not intended to be an economic stimulus by its structure. If you wanted to help the economy now, you would put more money in the pockets of working class people, the people who are having trouble meeting their bills, as soon as possible. Not only are the Bush tax cuts mostly backloaded, due to take effect six or more years down the road, but they are heavily tilted towards the wealthy. They are not economic medicine, they are economic poison.

It is a question of priorities. Are we going to rely on numbers that nobody thinks are accurate and then squander the entire surplus that might or might not materialize? Are we going to gamble away your future in the hopes that the budgetary roulette wheel comes up black? Are we going to tell the children on Head Start wait lists, the seniors unable to afford prescription drugs, the families made homeless by the lack of affordable housing that they have to wait another twenty years? What sort of community do we want?

And if we do cut taxes, we must ask for whom? Under the Bush tax plan, 43 percent of the tax savings would go to the wealthiest one percent of Americans. That means people earning more than $319,000 are receiving a huge windfall. What about working folks, the forty percent of our citizens who earn less than $25,000? They get a measly 4.3 percent of the President's largesse.

The President touts his big income tax rate cuts, but four out of five American workers pay more in payroll taxes than they do in income tax. In fact, most workers earning under $35,000 per year don't pay any income tax at all. Therefore, a typical family who could really benefit from a tax cut is left out. Even the Wall Street Journal, hardly the mouthpiece of the left, has written that the affluent stand the most to gain from the Bush tax cuts.

Take a home health aide in Woonsocket, in my district, struggling to make ends meet on $13,600 per year or less. The President's helping hand to her is a tax cut totaling $42—I hope she doesn't spend it all in one place. I know it's not a lot, but that's all that's left after giving Bill Gates, Ross Perot, and the rest of the richest one percent their average $46,000 tax cut.

Don't be misled by the $1,600 average tax cut that President Bush advertises. Remember, that includes the hundreds of thousands of dollars that the Bill Gateses of the world will save. You're not likely to see $1,600. Eighty-eight percent of taxpayers—or virtually every family making less than six figures—will receive less than that. In fact, a quarter of all taxpayers will see zero benefit from the Bush tax plan according to the Washington Post.

Another pillar of the Bush tax plan is the elimination of the estate tax, or inheritance tax. This tax is currently paid only by the wealthiest two percent of families. If a couple's estate is worth less than $1.3 million, they pay no estate tax. In other words, one of the Republicans' highest priorities is $50 billion per year in tax relief for millionaires.

By ending the estate tax, the President would be allowing the richest Americans to avoid paying any tax ever on over a third of their wealth, on average. Over half of the value of the average estate worth more than $10 million has never been taxed. A working, single mother here in Bristol has to pay tax on every dollar she earns, but the Republicans are proposing to let millionaires and billionaires go tax-free on a substantial portion of their earnings. Plus, eliminating the estate tax is likely to sharply curtail charitable giving, further hurting the poor. Some estimate that donations to charity could drop by 90 percent.

Even provisions that could help working people if done right are skewed towards more affluent taxpayers. The Republican plan to eliminate the marriage penalty in the last Congress was structured in such a way that 89 percent of the benefits would go to those making more than $75,000 per year. The increase in the child tax credit the President proposes is nonrefundable, which means most working class families will not see the benefit of it.

If you were serious about helping working people, why would you not make the child tax credit refundable? A credit against your income taxes isn't helpful if, like most working families earning less than $35,000, you don't pay income tax.

Again, it's a question of choices. As MIT Economics Professor and New York Times columnist Paul Krugman has written recently, it is not class warfare to point out that the Bush tax cut disproportionately benefits the very, very affluent. It is, instead, a debate over priorities.

George W. Bush ran like Bill Clinton but is already governing like Ronald Reagan. He talks a good game, but his actions belie his words. He trotted out working folks for photo ops, but if those appearances had anything to do with his tax plan, he should have been standing there with some of his wealthy friends who stand to gain twenty to sixty times the families brought in as props.

The Republicans justify this reverse Robin Hood approach by saying that the affluent get the biggest share because they pay the most in taxes. Well I say that they also gained the most from this economic expansion. The wealthy have already received the upside of the economic growth. It's time that the working men and women who made this surplus possible saw some of the benefit.

During the booming '90s, from 1988–89 to 1997–98, the poverty rate in Rhode Island increased by 3.9 percent. A far greater percentage of Rhode Island children qualify for free and reduced school lunches now than at the beginning of the '90s.

In other words, the benefits of the expansion have gone predominantly to the wealthy.

In fact, it wasn't until halfway through the expansion that regular working folks saw their incomes rise at all. And even today, the bottom twenty percent is still earning nearly nine percent less in real dollars than they did in 1979.

And now the President is proposing to give 43 percent of a multi-trillion dollar tax cut to people whose incomes average $900,000 per year. The income gap is already the widest it's been in decades. The wealth gap is even wider. I want to ask George Bush and the Republicans in Congress, how wide must that gap be before tax cuts are shared fairly?

This discussion is not just about the arcane minutiae of the federal budget. This discussion is about people's lives. It is about asking ourselves what matters most. Are we the kind of people who will cause our children to go without, who will blithely blindfold ourselves to the needs of the future, to gratify our short-term wants?

Before we pass any tax cuts, we first must take a long, national look in the mirror.

I look at our society and I am not satisfied. I see a failing education system, skyrocketing rents, uninsured children, and critical shortages of quality childcare. I see a retirement system that we know for a fact will soon require large infusions of cash to maintain the status quo. I see millions and millions of our fellow citizens working 160 hours more per year for less money than they earned a quarter of a century ago.

I see an America with many needs more pressing than massive tax cuts for the wealthy.

Medicare needs a prescription drug benefit. Students need help affording college. Children need day care and Head Start programs. Our schools need teachers and textbooks. Our workers need health insurance. Social Security needs reform. Families need affordable housing.

A community, like a garden, requires tending. We are finally in a position to give our garden some of the water and sunshine so long denied. We have labored for years to put our fiscal house in order, so that we would be able to do things like responsibly reform Social Security before it's too late or help communities build new schools. We are in a position to invest for the future, but like a happy-go-lucky big spender, the very prospect of money is burning a hole in some politicians' pockets.

Twenty years ago we closed our eyes to hopelessly optimistic economic predictions, and allowed an affable President to gamble our future on a dubious economic theory that promised us the moon. He told us we could afford to eat dessert before dinner, we could get big tax cuts and a balanced budget. We made some decisions about priorities that led to trillions of dollars in national debt, the biggest deficits in our nation's history, more poverty, and fewer federal investments in people. Are we going to make those decisions again?

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. HILL).

Mr. HILL. Mr. Speaker, my wife and I taught our three daughters to eat their dinner before they could have their desert. What this House is doing today is they are trying to have their dessert before they eat their dinner.

Now, the way we eat our dinner here in Congress is we write a budget. We sit down and we decide what our priorities are going to be. We answer some difficult questions, like how do we balance tax cuts against paying down the national debt? How do we balance tax cuts against protecting Social Security and Medicare? How do we balance tax cuts against supporting the men and women in our Armed Forces, our farmers, and our veterans? That is what budgets are for.

Mr. Speaker, we are going to get our dessert this year. We are going to have a tax cut this year, but we should eat our dinner first. We have to figure out how to fit this tax cut into a responsible budget framework. Let us pass the budget first, then cut taxes.

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

Mr. Speaker, the problem is that the Federal Government has been eating the American taxpayers' dinner for too long. We would just like to give a little of it back.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), a new member of the Committee on Ways and Means.

Mr. BRADY of Texas. Mr. Speaker, the American people are a lot smarter than folks in Washington give them credit for. They know that tax cuts do not cause deficit spending; spending causes deficit spending.

They understand that today they are footing the bill for a million dollar, two-hole outhouse, that is a million dollars for an outhouse the Parks Department recently built. They know that they are footing each year $2,000 a fish each year to help some salmon get back to their spawning ground. For $2,000, we could put each fish in a first class seat and fly them from the mouth of the river and back and still save money.

□ 1515

Common sense says the best way to pay down the debt and to keep these surpluses going is to keep our economy strong, and that is what this tax relief bill is about.

We are facing recession, and we are working hard to stay out of it; but we know if a recession occurs, that 3 million American families will lose their jobs. That is 3 million families that are going to have a lot of hurt.

Now, maybe we cannot save all of those jobs, but we can surely save some of them; and there is a good chance we can save a lot of them, and we ought to do our very best to do that. I know there is a lot of pressure on my Democratic friends to not go along with the

President, to not work with him; there is a lot of bitterness from the past election. But those who will be laid off are not Republicans or Democrats, and the small businesses and their employees are not Republicans or Democrats, they are Americans. I would ask them to work with us to try to save this economy.

Mr. RANGEL. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. SANDLIN) to close debate.

Mr. SANDLIN. Mr. Speaker, Herbert Hoover said, ''Blessed are the young for they shall inherit the national debt.''

We do not need another Herbert Hoover. Americans deserve tax cuts. We can afford tax cuts. We support tax cuts. But it is irresponsible to consider a tax bill before we have a budget. Not only is that course irresponsible, it is contrary to the law. The Congressional Budget Impoundment Control Act of 1974 says that a budget must be enacted before consideration of a tax bill. Congress makes laws and expects the public to follow the laws. We should do no less in the United States Congress.

Finally, make no mistake about it: across-the-board seems to indicate that everyone will share. That is a serious misnomer. Most people believe that they will share. The truth is under the Republican plan, across-the-board means 44.3 percent of the relief goes to the richest 1 percent of the people, and that is just not fair.

Mr. Speaker, I encourage my friends watching in Texas to look at their friends to the left and look at their friends to the right, behind them and in front of them. They have not seen one person who benefits by this plan. Not one person in Texas. We tried this trickle-down before. Trickle-down dried up at the Red River. Mr. Bush, Senior, knew what to call it. He called it voodoo economics. Here we go again.

Mr. THOMAS. Mr. Speaker, I yield myself the remainder of the time. I tell my friend, he probably ought not to use Herbert Hoover as an example. That President raised taxes and plunged us into the Depression. We are here cutting taxes.

Mr. Speaker, talk is cheap. We hear talk about the weather, we hear excuses about process, we see props like cans of beans. Please, why is it so hard for the folks on the other side to say yes? Yes to returning a little bit of the tax surplus to those who paid it: hard-working Americans. Every taxpayer gets exactly the same tax reduction; no matter what my Democratic colleagues say, it is true. It is in these seven little pages. It is here. Every American this year gets the same reduction.

Just say yes on H.R. 3 and relieve your pain.

Mr. BLUMENAUER. Mr. Speaker, the beginning of this Congress has been dominated by discussions of President Bush's massive tax cut proposal—a proposal which, after accounting for the true costs to government, is likely to cost close to $2.6 trillion rather than $1.6 trillion over the next 10 years.

It is also the most important issue that we'll face over the next six months. Not only will it dominate the news; whether and how much to reduce government revenue will also frame every policy debate in Congress. The decision will determine our ability to honor our health care commitments, protect our environment, educate our children, defend our country, or keep our economy strong.

For many in Washington, cutting taxes has become the popular mantra. Gone is concern for the 1997 Balanced Budget Agreement, which instituted spending caps to help reduce our national deficit. Now, however, Congressional leaders are winking and nodding at those unrealistic restrictions and empty past promises, hoping the American press and public won't notice.

Since coming to Congress in 1996, I have based my fiscal policies and budget decisions on five principles—principles that continue to guide my responses to the current tax cut proposals:

1. Tax reductions need to be fair. Every Oregonian should be positively affected by these tax reductions, not just a selected few. The Bush proposal ignores the largest burden for most Americans: payroll taxes. Hardworking families who need help the most should have their burden reduced as much as those who are the most well off. Approximately 146,000 Oregon families are left out.

2. We must honor our promise to fund Social Security and Medicare. These obligations are not diminishing over time; in fact, they are growing larger each year, as the baby boom generation retires and requires increased medical assistance.

3. We need to pay down our $6 trillion national debt. This single act is the most effective way to lower government spending—and reduce the long-term interest costs for American families and business.

4. We must avoid future funding shortfalls. The robust economy of the past few years has lured many states-Kansas, North Carolina, and President Bush's own state of Texas, among others—into cutting taxes and fees, only to find themselves struggling to fund basic services.

5. We need to honor the commitments we've made to provide health care for our seniors, education for our children, and a cleaner environment.

Time and again, my constituents tell me that honoring these obligations and commitments takes precedence over reduction in taxes.

Ms. LOFGREN. Mr. Speaker, I have received a lot of advice from my constituents about H.R. 3, President Bush's tax cut proposal. Mostly my constituents have told me not to vote for this plan, although some have urged support. I have listened carefully and read every letter and email. I've thought about what people back home have told me. I take very seriously my responsibility to act prudently in this matter.

I have heard President Bush and other proponents of H.R. 3 say that the surplus ''belongs to the people'' and that ''the people have overpaid'' and ''the people deserve a refund.'' Well what about the accumulated national debt? That doesn't belong to some other group of people. What that phrase overlooks is that the accumulated national debt, over 4 trillion dollars, is also ''the people's national debt.'' That debt needs to be paid, and if it is paid, it will be paid off with ''the people's money''.

In listening to my constituents, as well as economic experts, I have focused on several elements.

First, there is concern among many that a softening of the economy could be countered with a tax reduction that would stimulate consumer spending and help counter recessionary trends. I think it is important to underscore that the American economy is not in a recession, but it is also clear that softening has occurred. In addition to providing relief to taxpayers who want and need it, I agree that a tax reduction effort might well have a salutary impact.

To maximize this benefit, the tax cut should be quick, should be directed towards those who will spend it but must also avoid deficit spending. H.R. 3 falls short in these requirements.

Second, if we enact a tax reduction plan we must exercise care to insure that we avoid returning to the days of deficit spending, a phenomenon we have only recently escaped.

I have focused on the need for fiscal responsibility for the 22 years I have served in public office. As a member of the Board of Trustees of the San Jose-Evergreen Community College District in the late 1970's, I was part of the coalition that reduced administrative costs by more than 25%—and put the money into the classrooms. As a member of the Santa Clara County Board of Supervisors in the 1980's, I was part of the Board majority that cut spending dramatically and balanced the county's budget. This earned the county its excellent bond rating and saved taxpayers money on interest.

As a Member of Congress since 1995, I have supported policies that have helped this country to balance its operating budget and to begin to pay down the national debt. I'm proud of that and I believe that fiscal responsibility is good for America. Why? Deficit spending eats up revenue in interest rates. It leads to inflation, which eats up the budgets of families. In fact, some observers have predicted that if the Bush tax reduction plan results in a return to deficit spending, that most families will end up spending more on increased interest rates than they will see in a reduction of tax liability through the plan.

Finally, we need to make sure that a tax reduction plan, of an amount that is consistent with a balanced budget and deficit reduction, is constructed in a manner that advances the American principles of fairness and equity.

The Bush plan falls short. It postpones too much of the benefit to later years, defeating the effort to stimulate immediate economic activity. It directs 43% of the tax reduction benefit to those whose annual incomes are over $900,000 a year. I have nothing against those with incomes over $900,000 a year. In fact, I think it's terrific that we have a country where so many are able to prosper and to grow incomes. However, directing so much of the benefit to this income bracket is not the best way to stimulate economic activity nor is it

perceived as equitable by the American people. People who have middle class incomes are having a harder go of it than those who have met with extraordinary financial success. Finally, there is geographic discrimination in this bill.

Because the economy of Silicon Valley has been so extraordinarily successful and because people have worked so hard and productively, median incomes are high. This is a wonderful thing. However, costs are also high in Silicon Valley. Families with incomes that would seem extraordinary in other parts of the country struggle with the costs of housing and childcare in Santa Clara County.

Because of the shortcomings in H.R. 3 to deal with the alternative minimum tax, many of my constituents will be denied the benefit of provisions of the bill that will help other middle class people. Let me give just one example: the increased child deduction is a good thing and something I support. Unfortunately, this promised benefit will be denied to my constituents whose annual income is $87,800 a year—just about the median income for the county under this bill. That's not fair and it's geographic discrimination.

I believe that it is wise to enact a tax cut, but I think President Bush's plan is not balanced and will damage America. There is broad consensus in this Congress that a major overhaul of the estate tax, correction of the so-called "marriage penalty tax" and increases in child deductions should be made. Nobody likes taxes, and many of us would like to see further reductions. But reductions have to be in harrnony with debt reduction as well as realistic forecasts of spending. Many of my constituents have told me that they would prefer higher investments in energy research, education and transportation than this proposed tax cut.

That is one of the reasons why it is a terrible mistake (as well as violative of the rules of the House of Representatives) to take action on this proposed tax bill before we have even discussed, let alone adopted, our budget.

Unfortunately, the manner in which this tax plan has been handled by the Republican leadership of the House has precluded the possibility of give and take, compromise and a sound consensus bill that would serve America well.

CENTER ON BUDGET AND POLICY PRIORITIES, MARCH 2, 2001

NEW JOINT TAX COMMITTEE ESTIMATES RAISE COST OF BUSH TAX PLAN

Cost now well over $2 trillion

New Joint Tax Committee cost estimates of several elements of the Bush tax plan, which were released March 1 in conjunction with House Ways and Means Committee action, show that the cost of the Bush tax cuts is mounting. The Joint Tax Committee estimates find that the cost of the plan's income tax rate reductions exceeds the cost listed in the Administration's budget.

The Joint Tax Committee estimates also show that the rate reduction in the Bush plan would raise the number of taxpayers subject to the Alternative Minimum Tax to a stunning 36 million by 2011—or about one of every three taxpayers. The Joint Committee found that enactment of the proposed rate reductions would increase the cost of fixing the problems in the AMT by nearly $300 billion over 10 years.

The budget the Administration issued on February 28 shows that the tax cut would consume $2.0 trillion in projected surpluses. The Administration's estimates show the tax cuts would lose a little more than $1.6 trillion in revenue over 10 years and would raise the cost of interest payments on the national debt by nearly $400 billion, for a total cost of $2.0 trillion.

The cost estimate the Joint Tax Committee released March 1 shows that the Bush proposal to reduce the 28 percent, 31 percent, 36 percent, and 39.6 percent tax rates would cost $59 billion more over 10 years than the Administration's budget estimates.

The Joint Tax Committee also provided a cost estimate for the Bush proposal that would create a new 10 percent tax bracket; the estimate includes the effects of the Ways and Means Committee action to accelerate the phase-in of this provision. Primarily because of the faster phase-in, the cost of this provision is $67 billion higher than the cost listed for this provision in the Administration's budget.

This additional $126 billion in tax reductions, shown by the Joint Tax estimates, results in additional interest costs of $54 billion. This brings the overall added cost to $180 billion, raising the cost of the tax cut from $2.0 trillion to $2.2 trillion.

Further increases in cost may occur when the Joint Tax Committee issues its estimates for the cost of other components of the Bush tax plan. A comparison of the estimate of the cost of the Bush plan that the Joint Tax Committee issued last May to the estimates in the Administration's budget suggests the Joint Committee's forthcoming estimate of other aspects of the plan also is likely to exceed the Administration's figures.

The Joint Tax Committee's shocking AMT estimates

Another new analysis the Joint Tax Committee released in conjunction with the Ways and Means Committee action finds that the rate reductions the Committee approved would result in 15 million additional taxpayers becoming subject to the Alternative Minimum Tax by 2011. To prevent the Bush tax cut from subjecting these additional 15 million taxpayers to the AMT would require changes in the AMT that, according to the JTC analysis, would cost $292 billion over the next ten years.

Since the Bush plan fails to address this problem, this nearly $300 billion in added cost is not included in the Administration's estimate of its plan. But this cost eventually will have to be paid; neither party will stand by and allow one of every three taxpayers to be hit with the complexities (and increased tax burdens) of the AMT. The Bush plan thus ultimately entails a cost of an additional nearly $300 billion, plus added interest costs. This raises to more than $2.5 trillion over ten years the likely amount of projected surpluses that ultimately will be consumed if the Bush plan becomes law.

The Alternative Minimum Tax was intended to prevent high-income taxpayers from using a combination of tax breaks that would eliminate most or all of an individual's income tax liability. Taxpayers must pay the larger of either their normal income tax bill or the income tax they would owe under the AMT.

Because of flaws in the AMT's design, growing numbers of taxpayers will become subject to the AMT unless the problems in the AMT are addressed. According to the new Joint Tax Committee analysis, the number of taxpayers subject to the AMT is expected to rise under current law from 1.5 million taxpayers in 2001 to 20.7 million in 2011.

The income tax rate cuts in the Bush plan, as reflected in H.R. 3 (the legislation the Ways and Means Committee approved March 1), would further increase the number of people subject to the AMT, because the income taxes these people would owe under the regular income tax would now be lower than what they would owe under the AMT. The Joint Tax Committee estimates show that under the Ways and Means bill, the number of taxpayers affected by the AMT would rise to 35.7 million in 2011. In other words, the bill would result in an additional 15 million taxpayers being thrown into the AMT (i.e., 15 million taxpayers on top of the filers who would become subject to the AMT under current law). Under the Ways and Means bill, approximately one-third of all people who would pay income taxes would be subject to the AMT by 2011.

The Joint Tax Committee estimates find it would cost $292 billion over ten years just to keep these additional 15 million taxpayers from becoming subject to the AMT as a result of the Bush tax-rate reductions. This estimate does not reflect the cost of addressing the underlying problems in the AMT that, if not fixed, will push the number of taxpayers subject to the alternative tax from 1.5 million to nearly 21 million by 2011 even in the absence of the Bush tax cuts. Fixing this underlying problem will entail additional costs beyond the $292 billion.

CENTER ON BUDGET AND POLICY PRIORITIES, FEBRUARY 26, 2001

IS A LARGE TAX CUT NEEDED TO FORESTALL AN EXPLOSION IN SPENDING?

Some supporters of a large tax cut this year, such as the tax cut the Bush Administration has proposed, argue that a large tax cut is needed to prevent an explosion of federal spending. They state that the Congressional Budget Office has determined that action by Congress and the last Administration in the final half of 2000 increased federal spending by $561 billion over the next ten years. A $1.6 trillion tax cut is needed, this argument goes, or else further spending explosions will occur. There are several problems, however, with the use of these figures to make the case that a spending explosion has begun.

How much did spending increase last year?

CBO has reported that actions taken in the last session of Congress increased CBO's estimate of baseline spending on government programs by $434 billion over the next ten years. Since this $434 billion will be used for program expenditures rather than for paying down debt, CBO has estimated that interest payments on the debt will be $118 billion higher. The figure of "$600 billion in new spending" that some policymakers have cited as a reason for a large tax cut is reached by adding the $118 billion in interest payments to the $434 billion in projected increased spending, also adding (inappropriately) $9 billion in increased interest costs that CBO says will result from some modest tax cuts enacted last year, and rounding the resulting $561 billion figure up to $600 billion.

It may be noted that $368 billion of the $434 billion in projected increases in program spending—or 85 percent of the increases in program spending—consist of increases in discretionary spending. The remaining $66 billion includes $28 billion in increased entitlement spending for health care for military retirees, a net of $20 billion in increased Medicare spending as a result of scaling back

some Medicare savings provisions enacted in 1997, and $18 billion in increases in spending for other entitlement programs.

Should all of these costs be considered as spending increases?

Upon closer examination, a question arises as to whether this $368 billion in discretionary spending should all be regarded as a spending increase. Whether, and to what extent, it constitutes a spending increase depends on the baseline against which the new discretionary spending levels are measured.

No adjustment for population growth

The baseline that CBO employs assumes the maintenance of discretionary spending at its level for the preceding fiscal year, adjusted only for inflation. Since the U.S. population increases each year but the CBO baseline contains no adjustment for population growth, the CBO baseline essentially assumes a decline each year in the purchasing power of discretionary programs on a per-person basis. Under the CBO baseline, simply keeping discretionary spending constant in real per capita terms (i.e., keeping it at the same level in its ability to provide goods and services per U.S. resident) is counted as a significant spending increase.

A number of analysts have argued over the years that a more appropriate baseline for discretionary spending would be one that adjusted for both inflation and population growth. Robert Reischauer, the former CBO director who now heads the Urban Institute, argued (unsuccessfully) when CBO was first etablished that the discretionary spending baseline should account for population growth as well as inflation. In addition, President Bush himself stated on a number of occasions during the presidential campaign that the right way to measure changes in spending in Texas during his tenure as governor was by comparing the actual spending that occurred to what spending would have been if it had kept pace with both inflation and population growth. Were the same approach used here, the magnitude of the increase in discretionary spending that policymakers approved last year would be significantly smaller.

Spending as a share of the economy to hit half-century low

Furthermore, when measured as a share of the Gross Domestic Product, federal spending declined this year, despite the spending actions the last session of Congress took. The new CBO report on the budget shows that between fiscal year 2000 and fiscal year 2001, federal spending will drop from 18.2 percent of GDP to 18.0 percent. The 18.0 percent level for fiscal year 2001 is the lowest level since 1966. The CBO report also projects that federal spending will decline further to 15.1 percent of GDP by 2011, which would be the lowest level since 1951.

In addition, CBO projects that discretionary spending will remain constant at 6.3 percent of GDP between 2000 and 2001, which is the lowest level ever recorded. (These data go back to 1962.) Under the CBO projections—which include the much-touted ''explosion'' of spending—discretionary spending will decline to 5.1 percent of GDP by 2011, a level that would be the lowest by far in at least half a century.

One wouldn't know from the claims of a spending explosion that federal spending is at its lowest level as a share of GDP in 35 years or that by 2011, it would—under the baseline that includes the $561 billion in added spending reach its lowest share as a percentage of GDP since 1951.

Defense constituted nearly one-third of spending increase

A fact not often mentioned by those decrying the ''spending explosion'' is that the spending added in the last session of Congress was disproportionately directed toward defense spending. Defense spending increases accounted for nearly one-third—31 percent—of the $434 billion in spending increases over ten years. Defense spending accounts for 18 percent of the federal budget, exclusive of interest payments, so defense's share of the spending increase was nearly twice its share of the budget.

CBO has estimated that as a result of action in the last session of Congress, defense discretionary spending in the baseline will be $106 billion higher over the next 10 years, while entitlement spending for military health will be $28 billion higher. This $134 billion total accounts for 31 percent of the $434 billion projected increase in program spending before the increased interest payments are added.

Conclusion

Proponents of a large tax cut frequently speak of revenues as being at or near their highest level as a share of GDP since World War II. In discussing trends in federal expenditures, however, tax-cut proponents typically eschew use of a standard that measures federal spending as a share of GDP. They measure trends in discretionary spending against a baseline that assumes reductions in such spending on a real per-capita basis and counts spending levels that keep discretionary spending constant in purchasing power per person as constituting spending increases. These definitions of what constitutes a spending increase underlie arguments that a spending explosion has taken place, arguments that overlook the reality that federal spending is at its lowest level in decades as a share of the economy.

CENTER ON BUDGET AND POLICY PRIORITIES, REVISED MARCH 1, 2001

THE ADMINISTRATION'S BUDGET RESERVE: DO THE NUMBERS ADD UP?

(By Robert Greenstein, Richard Kogan, and Joel Friedman)

The budget is said to contain a $842 billion reserve. Closer examination, however, indicates that the numbers underlying the reserve do not add up.

1. Medicare: The budget fails to set to the side the surpluses in the Medicare Hospital Insurance trust fund and creates a fiction that Medicare has no surpluses and is in deficit. Tables in the budget show that OMB actually projects that the Medicare Hospital Insurance trust will run a $526 billion surplus over the next 10 years. The Medicare HI surplus, which policymakers of both parties have voted to set to the side and not to use to finance tax cuts or other programs, amounts to more than half of the so-called ''reserve.''

In the budget, the administration tries to make this surplus disappear through a clever but misleading budget display. Medicare Hospital Insurance (Part A) is financed by payroll taxes and, to a small degree, by a portion of the income taxes that are collected from the taxation of a portion of the Social Security benefits of higher-income beneficiaries. Medicare Hospital Insurance has its own trust fund. The physician's services part of Medicare (Part B) is funded separately and, unlike Part A, was never intended to be self-financing. One-fourth of its financing of Medicare Part B comes from monthly premiums that beneficiaries pay, but the other three-fourths comes from general revenues. This is how Medicare was designed.

The administration takes the unprecedented step of adding the total costs of Medicare Parts A and B and then comparing them to Medicare revenues just from payroll taxes and premiums. Since three-quarters of Medicare Part B is intended to be funded by general revenue, the effect is to make it look like Medicare's costs exceed Medicare's income. The administration then pronounces the Medicare HI surplus as meaningless and claims that Medicare is in deficit so it has no surpluses to save. This serves the politically convenient purpose of helping to justify what otherwise would seem politically unjustifiable—failing to set aside the Medicare HI trust fund surplus and instead using it to fund other items.

Using this device to claim that Medicare is in deficit is not justifiable. By this logic, all programs funded by general revenues—including the Pentagon, the military pension Program, and the education and health research programs that the administration proposes to expand—are in deficit and thus in need of reform, as is everything in the budget not specifically financed by an earmarked tax.

By camouflaging the Medicare HI trust fund surplus and artificially making it ''disappear,'' the Administration can turn around and add the $526 billion Medicare HI surplus to the surplus in the rest of government to make it appear as though all of these funds are available to finance the tax cut and other programs. Through this maneuver, the Administration is able to make it look as though there is more room in the budget for its tax cut and to hide the troubling trade-offs the large tax cut creates for the rest of the budget. Ironically, one of those troubling trade-offs is that if the tax cut is enacted, there will be less money available for an adequate Medicare drug benefit and for an infusion of more general revenue into Medicare as part of a Medicare reform package that restores long-term solvency to the program.

Once the Medicare HI surpluses are set to the side, only $316 billion of the Administration's $842 billion reserve remains.

2. Inevitable Costs that are Left Out. The budget leaves out a number of inevitable costs. These include:

Continuing current payments to farmers, at a cost of about $100 billion over 10 years (Table S–11 shows spending for agricultural programs plummeting from $26.1 billion in 2001 to $14.9 billion in 2003 and smaller amounts in subsequent years, because of the administration's failure to include the virtually inevitable costs of continuing these farm payments);

Fixing a well-known problem in the Alternative Minimum Tax so it does not subject millions of middle-class families to the AMT, which entails a cost of approximately $300 billion over 10 years if the Bush tax cut is passed; and

Extending the expiring tax credits for 10 years (the budget shows the cost of extending most of these credits for only one year), which adds about another $25 billion.

The more-than-$400 billion in costs just mentioned would also generate additional costs for interest payments on the debt. This would bring these costs to more than $500 billion, which exceeds the $316 billion left in the reserve when the Medicare HI trust fund surplus is set to the side.

3. Additional Costs the Administration has not specified. The administration's ''helping hand'' prescription drug proposal is supposed

to be only a first step; it is limited to low-income seniors. As a candidate, President Bush said this would then be broadened into a drug benefit for other seniors as well. The budget does not include resources that could accommodate a significant drug benefit for middle-income seniors.

The budget also does not include funds for a national missile defense or other defense spending increases that are likely to emerge from the Administration's defense review.

Conclusion

The ''reserve'' is a convenient way to avoid providing specifics in a number of areas. It obscures the fact that rather than creating a reserve for unforeseen contingencies, the budget lacks sufficient funds to avoid a return to deficits outside the Social Security and Medicare HI trust funds, unless large cuts in domestic programs—cuts that the Administration does not identify at this time—are enacted.

CENTER ON BUDGET AND POLICY PRIORITIES, REVISED MARCH 1, 2001

THE ADMINISTRATION'S BUDGET: GAPS BETWEEN RHETORIC AND REALITY

(By Robert Greenstein, Richard Kogan, and Joel Friedman)

Initial analysis of the Administration's budget suggests substantial differences in key areas between the realities that underlie this budget and the comforting rhetoric surrounding it:

1. The supposed $842 billion contingency reserve is essentially an illusion.

First, the reserve is inflated by more than $500 billion through a misleading presentation that camouflages the surpluses in the Medicare Hospital Insurance trust fund, which both houses of Congress voted by nearly unanimous votes last year to set aside and not to use for tax cuts or other programs. The budget artificially makes the Medicare HI surpluses ''disappear'' in order to make the surpluses available for tax cuts and other initiatives appear to be larger than they actually are.

Second, the ''extra'' funds that constitute the reserve are generated by failing to include in the budget various costs that will inevitably occur, such as the costs of maintaining current payments to farmers, fixing the Alternative Minimum Tax so it doesn't hit millions of middle-class taxpayers, and extending a number of expiring tax credits for the full 10 years. The ''extra funds'' also are generated by the lack of inclusion in the budget of the costs of some key initiatives the President promised in the campaign and plans to pursue, such as a national missile defense.

Third, the math underlying the reserve assumes that a prescription drug benefit and Medicare reform can be accomplished for $153 billion over 10 years. This amount is far below what any drug benefit that provides even modest help to middle-income seniors will cost and ignores the fact that restoring long-term solvency will require large additional sums to be devoted to Medicare from general revenues, even if controversial changes like those in the Breaux-Frist or Breaux-Thomas packages are enacted. (The Breaux-Frist and Breaux-Thomas packages would close only a modest share of the long-term funding gap in the Medicare Hospital Insurance trust fund. The need for additional general fund revenues can be avoided only if Medicare payroll taxes are raised significantly, an approach the Administration clearly does not favor.)

Fourth, any use of the reserve for purposes other than debt reduction—i.e., for AMT relief, Medicare reform, farmers, extra defense costs, or the like—will generate extra interest costs that also must fit within the reserve.

Fifth, the existence of the reserve also rests upon an assumption contained in the budget that cuts of several hundred billion dollars will be needed over the next 10 years in non-defense discretionary programs outside education, health research, and a few other favored areas. Such cuts will be very difficult to secure political support for, especially in a period of surpluses. They are unlikely to occur.

When realistic accounting is done, the reserve disappears and a budget hole emerges. If this budget hole is not filled, the budget will entail a return of deficits outside Social Security and Medicare (and of the use of Social Security and Medicare surpluses to fund other programs). In other words, since the reserve is inadequate to cover the likely claims against it, deficits outside of Social Security and Medicare Hospital Insurance trust funds are likely to return unless still larger cuts in domestic programs can be achieved.

The reserve turns out, upon close inspection, to be a clever accounting device that obscures more than it illuminates and cloaks the budget trade-offs the Administration's large tax cut creates. By failing to disclose the costs of a number of items and distorting Medicare financing, the budget essentially ''hides the ball'' and prevents policymakers and the public from seeing the trade-offs the tax cut entails. (The reserve is discussed in more detail in our accompanying piece, ''The Administration's Budget Reserve: Do the Numbers Add Up?.'')

2. A careful reading of the tables in the budget reveals that the budget math depends upon significant, unspecified reductions in non-entitlement programs. Table S–4 shows that the budget proposes cuts of $12.1 billion in fiscal year 2002 in discretionary programs outside defense, education, health research, and a few other favored areas. Table S–4 also shows a reduction of $8.4 billion in FY 2002 appropriations below the FY 2001 level for one-time items and earmarked items. Reductions of this magnitude in earmarked and one-time items are unlikely—each year's appropriations bills have new earmarks and one-time items. The probable result would be reductions greater than $12.1 billion next year in discretionary programs outside the favored areas. Another table (S–6) provides data showing that fiscal year 2002 funding for discretionary programs in an array of departments and agencies would be cut below a ''freeze'' level—that is, below the FY2001 level even without an adjustment for inflation. Among the agencies in which overall funding for discretionary programs would be cut below a freeze level are the Departments of Agriculture, Commerce, Energy, Interior, Justice, and Labor, and the Environmental Protection Agency.

The budget also shows that the Administration's education, defense, health research, and other discretionary initiatives would add $260 billion over 10 years, without counting national missile defense, while total discretionary spending would rise just $30 billion over 10 years. This means non-defense discretionary spending outside education, health research, and a small number of other favored areas would have to be reduced $230 billion below the current year's level, adjusted for inflation. These cuts are left unspecified. And when the Administration eventually proposes increases for national missile defense and other defense spending increases, the size of the reductions needed in other discretionary areas could grow several hundred billion dollars larger—or, more realistically, constitute another claim against an already oversubscribed ''reserve.''

Also of note, Table S–7 shows that the Administration is proposing new caps on total discretionary spending, to be set approximately at this year's level adjusted for inflation. Table S–12 purports to show how much each area of the budget would receive under the caps. But the figures in Table S–12 are illusory; a footnote to the table shows that the defense numbers in the table do not include any of the defense spending increases the Administration will propose in the future. Providing more money for national missile defense and other defense programs, as the administration is expected to do, will mean that other departments need to be cut to lower levels than the levels shown in the table, in order for total discretionary spending to fit within the caps the Administration has proposed.

What emerges is that the Administration is using the ''reserve''—along with the lack of specificity regarding what it will seek for national missile defense and various other defense spending increases and what specific cuts it ultimately will propose in an array of domestic discretionary programs—to camouflage the trade-offs and tough choices its tax cut entails. Indeed, the strategy may be to show the defense increases—along with some of the proposed cuts—in the budget released a year from now, after the tax cut has been enacted.

3. Another point that emerges from the budget is that the Administration's tax cut costs at least $2.0 trillion. Table S–2 shows the tax cut will lose $1.62 trillion in revenue. It also shows increased interest payments on the debt of $417 billion. The overwhelming bulk of this $417 billion in added interest costs results from the tax cut. (The $417 billion reflects the added interest costs due to $1.62 trillion in tax cuts and $173 billion in net spending increases.) Since about $375 billion of the $417 billion in interest costs results from the tax cut, that brings the overall cost of the tax cut to $2.0 trillion. This $2 trillion cost does not include added costs from fixing problems in the Alternative Minimum Tax or from accelerating some of the tax cuts, which the President has said he favors.

4. The budget pays down less debt than it could. The Administration's claim that $2 trillion is the maximum amount of debt that can be paid down over 10 years rests on an assertion that there is $1.2 trillion of publicly held debt that cannot be paid down in this period. This figure is disputed by other experts. CBO has estimated that the amount of debt left outstanding at the end of ten years would be about $800 billion if the Treasury simply continues its existing policy of buying back some marketable debt before it matures. In recent testimony, Federal Reserve Chairman Alan Greenspan used a figure of $750 billion (plus some modest amounts of debt the Fed may or may not need to hold on to). Gary Gensler, the former Treasury Undersecretary who managed the Treasury's debt operations, concludes in a new analysis that the amount of debt outstanding in 2011 could be reduced as low as $400 billion to $500 billion. The Administration's figure is conveniently above these other estimates.

5. Finally, in some areas, the Administration's press releases and the President's address to Congress risk creating misleading impressions. For example, the President said

last night that his budget would increase spending on Social Security, Medicare, and other entitlements by $81 billion in 2002. In fact, $68 billion of this increase represents no change in the operation, eligibility, or generosity of these programs; this $68 billion simply reflects costs that will automatically occur under current law as a result of the annual Social Security cost-of-living adjustment, increases in health care costs charged by medical providers, and an increase in the number of elderly beneficiaries. The true increase that the President is proposing in 2002 in these programs is $13 billion, about one percent of the cost of these programs, which would largely go for the ''helping hand'' prescription drug proposal.

CENTER ON BUDGET AND POLICY PRIORITIES, MARCH 2, 2001

IN BUSH BUDGET, TAX CUTS FOR TOP ONE PERCENT ARE LARGER THAN HEALTH, EDUCATION, AND ALL OTHER INITIATIVES COMBINED

In the Presidential campaign, Vice President Gore contended that then-Governor Bush would provide more in tax cuts to the top one percent of taxpayers than he would provide for all of the initiatives he proposed. Mr. Bush replied that this was untrue. Both campaigns provided numbers to support their cases. In so doing, both campaigns engaged in some distortion of the numbers (as explained in the box on page 2), with Gore overstating and Bush understating the tax reductions that would go to the top one percent.

A new analysis, based on the Bush budget document issued February 28 and free of the distortions of both campaigns, finds the top one percent would get at least $555 billion in tax cuts over the next decade under the Bush plan. All initiatives in the budget—including a prescription drug proposal for seniors, increases in education, health research, defense, and other areas—would total less than $500 billion. (As explained below, these figures are based on a methodology that favors the president.) Thus, the tax cuts that would go to the one percent of taxpayers with the highest incomes—a group whose incomes have soared in recent years and have risen much more rapidly than the incomes of the rest of the population—would exceed the new resources proposed for all other national priorities combined.

Methodology

According to the Bush budget, the President is proposing tax cuts that would lose $1.62 trillion in revenue over the next ten years. This total includes both those tax cuts President Bush unveiled in the campaign that are often thought of as ''the Bush tax cut'' and about 20 other, mostly small, tax reduction proposals. Virtually all analyses of the proportion of the proposed tax cut that would go to the top one percent of taxpayers have examined the proposals in ''the Bush tax cut'' and not the additional, smaller proposals. In analyzing the amount of tax reductions that the top one percent would receive in the next ten years, we include only the tax proposals in ''the Bush tax cut'' and exclude the other Bush tax reductions. This understates the amount of tax cuts that would go to the top one percent.

The Bush budget shows a total of $1.494 trillion in tax cuts over ten years from the tax provisions in the ''Bush tax cut'' (see Table S–9 of the budget). This figure appears to understate the size of the tax cuts; on March 1, the Joint Tax Committee informed Congress that the income tax rate reductions in the Bush plan would cost $59 billion—or 12 percent—more over ten years than the Administration's budget estimates. Earlier Joint Tax Committee estimates suggest the Committee is likely to raise the price tag on other provisions of the tax cut as well. In this analysis, we use the Administration's estimates, which are lower than the Joint Committee's, because a Joint Committee estimate on the cost of the full Bush tax cut is not yet available.

We divide the administration's estimate of the cost of the tax cut into three categories: what the administration estimates the individual income tax reductions will cost; what it estimates the estate tax changes will cost; and what it estimates its corporate tax reductions (which are relatively small) will cost.

We multiply the income tax reductions by the percentage of the Bush income tax cuts that Citizens for Tax Justice has estimated would go to the top one percent of taxpayers. The CTJ estimate comes from the well-respected Institute for Taxation and Economic Policy model, which CTJ uses. In the past, CTJ estimates of the distribution of proposed income tax cuts among different income groups have been similar to those that the career staff at the Treasury Department has produced.

For estate tax repeal, we multiply the administration's estimate of the amount of tax reductions that this proposal would generate over the next ten years by the Treasury's own estimate of the proportion of the estate tax that the top one percent of taxpayers pay. Treasury issued a major study of this issue in September 1999 and since then has used the study's findings on this matter in analyzing how different income groups would be affected by tax proposals that include changes in the estate tax.

For the modest corporate tax changes in the Bush plan, we use the Treasury estimate (from the same September 1999 study) of the proportion of corporate taxes that are borne by the top one percent of taxpayers. The results on the corporate tax changes are essentially the same regardless of whether one uses the CTJ results from the ITEP model or the Treasury estimate.

The result is an estimate that $555 billion in tax cuts over the next ten years would go to the top one percent of taxpayers. This estimate understates the actual amount because, as noted, it excludes some tax reductions contained in the administration's budget and uses the administration's estimates for the cost of tax cut provisions that the Joint Tax Committee says carry a higher price tag.

The initiatives

The amounts the administration is proposing for initiatives in its budget are set forth in the tables at the back of the budget the administration issued on February 28.

The budget proposes $153 billion over ten years for Medicare, principally for a drug benefit (Table S–1).

The budget proposes $260 billion over ten years in discretionary spending increases in education, defense, health research, and seven other areas (Table S–5). The budget also proposes $230 billion offsetting savings from unspecified reductions in discretionary programs. In this analysis, we count the $260 billion in proposed increases without netting out the proposed decreases.

The budget contains $2 billion in mandatory spending initiatives outside Medicare. The budget also contains $20 billion in savings in mandatory programs. We count the $2 billion without subtracting the reductions.

This produces a total of $415 billion in spending initiatives. This is well below the $555 billion in tax reductions the top one percent of taxpayers would receive.

The administration may argue that the proposal it has included in the budget for health insurance tax credits should be considered more like a program initiative than a tax cut. According to the Office of Management and Budget, the budget includes $70 billion to $80 billion for this purpose, consisting of $50 billion to $60 billion in tax reductions and $20 billion in refundable tax credits to taxpayers with no remaining income tax liability. Including the $70 billion to $80 billion cost of this proposal brings the initiatives to $485 billion to $495 billion, still well below the tax reductions the top one percent of taxpayers would secure.

Finally, the budget also includes $63 billion to $73 billion for approximately 20 other tax incentives. Some of these appear to be proposals that would primarily benefit higher-income taxpayers; other of these proposals would not have that effect. The administration has not yet provided information that breaks out the cost of each of these tax proposals. An appropriate accounting would count these as tax reductions, a portion of which would go to the top one percent of taxpayers. Even if we assume that the bulk of these tax preferences should be treated as initiatives, like the health tax credit, the total for initiatives in the budget still would not exceed what the top one percent would receive through tax cuts.

CENTER ON BUDGET AND POLICY PRIORITIES, MARCH 5, 2001

IS THE HOUSE TAX BILL NEEDED TO AVERT A RECESSION?

(By Peter R. Orszag)

On March 1, the House Ways and Means Committee passed the Economic Growth and Tax Relief Act of 2001, which reduces income tax rates roughly in line with the Bush administration's tax cut proposal. (The Ways and Means legislation includes one change from the Bush budget: It would create an interim 12 percent bracket this year, accelerating a small part of the income tax cut.)

Many advocates of the tax cut, including members of the Bush administration, have argued that it will help to spur the economy out of its current period of sluggish growth and avoid a possible recession. Most economists are dubious of this argument. Even Treasury Secretary Paul O'Neill stated in his confirmation hearings that ''I'm not going to make a huge case that this is the investment we need to make sure we don't go into a recession.''

The argument that the proposed tax cut is necessary to avoid a recession overlooks several key factors.

The tax cut is backloaded and does not provide much stimulus in short run

The tax plan the Ways and Means Committee has passed would do little to lift the economy in the short run because its tax cuts are backloaded. Indeed, only 0.5 percent (or $1 out of every $200) of the cost of the legislation between 2001 and 2011 would occur in 2001. Less than 5 percent of the total cost occurs before 2003, by which time economic conditions are very likely to be different than today. Fundamentally, such backloading is inconsistent with spurring the economy in the short run: The tax cuts would do little to boost families' spending power immediately and therefore do little to spur the economy in the months ahead.

Another perspective on the size of the tax cut in 2001 is that it amounts to just 0.05 percent (or roughly $1 out of every $2,000) of

Gross Domestic Product for the year, as estimated by CBO. This reduction is too small to have much macroeconomic impact in the short run.

As Alan Auerbach, a leading tax economist at the University of California, Berkeley, recently noted, the Bush tax package ''was never designed to be a stimulus package, and it can't be made into a stimulus package unless you throw it away and start over. It has no effect in the short run.'' The Ways and Means Committee did not throw out the Bush tax proposal and start over; the legislation it passed was not designed to be, and is not, an effective stimulus package.

The reason that the Bush tax cut is not designed to stimulate the economy in the short run is not only that it is backloaded but also that it is heavily tilted toward high-income earners. When fully in effect, the Bush tax cut would deliver nearly 40 percent of its benefits (including its estate tax reductions) to the top one percent of the population. This substantially exceeds the share of federal taxes this group pays. (The top one percent pays 24 percent of all federal taxes.) Moreover, the share of the tax cuts the top one percent of the population would receive when the Bush proposal 5 is fully in effect is greater than the share the bottom 80 percent of the population would receive. The distribution of tax benefits is significant because higher-income families are more likely to save some portion of their tax cut than are lower- and middle-income families. If the objective is to spur the economy, the Bush tax cut is not well-designed for the task. Putting more money back in the hands of lower- and middle-income families would provide a greater ''bang for the buck.''

Tax cuts are not an effective tool for managing the economy

Whatever the design of the tax cut, a large majority of economists believe tax cuts are simply not an effective tool for managing the macro-economy. In many cases, such tax cuts take effect after the economy has already started to recover. Even if the Ways and Means Committee legislation were enacted, families would likely not receive any additional cash until the second half of the year. By then, as William McDonough, the President of the Federal Reserve Bank of New York, was recently quoted as saying, the economy is expected to be ''quite strong'' even in the absence of a tax cut. As discussed below, CBO similarly projects a strong, fairly prompt return to solid economic growth rates without a tax cut.

Most economists believe that monetary policy is more effective than fiscal policy in managing short-term problems in the economy. Alan Greenspan noted in testimony on January 25, ''Lately there has been much discussion of cutting taxes to confront the evident pronounced weakening in recent economic performance. Such tax initiatives, however, historically have proved difficult to implement in the time frame in which recessions have developed and ended.''

In most cases, the Federal Reserve can provide as much or more stimulus than Congress by increasing the money supply, which reduces interest rates. A tax cut is usually unnecessary, given the ability of the Federal Reserve to reduce interest rates and to act quickly. Paul Krugman, a well-known economist at Princeton, recently wrote, ''almost all economists now agree with the position that monetary policy, not fiscal policy, is the tool of choice for fighting recessions.''

It is far from clear that a recession looms

The seriousness of the economic slowdown remains uncertain. CBO projects that while economic growth will slow in 2001, the economy will avoid a recession, with GDP rising by 2.4 percent, after adjusting for inflation. CBO also projects that the economy will then rebound and grow at a solid rate of 3.4 percent in 2002 and a rate of 3.1 percent throughout the rest of the coming 10-year period. CBO forecasts that the economy will avoid a recession, rebound from its current, slower rate of growth, and enjoy a higher subsequent growth rate, without a tax cut.

The Federal Reserve itself, in its February 13 monetary policy report to Congress, also predicted a return to stronger growth later this year in the absence of any fiscal policy changes. As the report stated, ''Although the economy appears likely to be sluggish over the near term, the members of the Board of Governors and the Reserve Bank presidents expect stronger conditions to emerge as the year progresses. For 2001 overall, the central tendency of their forecasts of real GDP growth is 2 percent to 2½ percent, measured as the change from the fourth quarter of 2000 to the fourth quarter of 2001.''

Private-sector forecasters similarly are doubtful the economy will enter a recession. The Economist magazine's most recent poll of private-sector forecasters suggests an average projected growth rate of 1.8 percent in 2001. The average growth forecast for 2001 among the forecasters included in the latest Blue Chip Economic Indicators, published February 12, is 2.1 percent. While these rates of growth are lower than those of recent years, they indicate that most forecasters do not believe a recession will occur. The unofficial definition of a recession is two consecutive quarters of negative growth (that is, the economy contracts rather than continuing to grow).'' Only five percent of the forecasters included in the Blue Chip report believed the economy is in a recession. Moreover, the average Blue Chip forecast is for a strong rebound from the current growth slowdown, with a growth rate of 3.5 percent in 2002.

This uncertainty regarding whether the economy is in, or will enter, a recession provides another motivation for leaving macroeconomic management to the Federal Reserve: the Federal Reserve is better equipped to monitor the economic situation as it evolves than Congress is.

Conclusion

The Ways and Means tax cut is not well designed to address a possible economic slowdown since it is backloaded. The tax cut in 2001 is too small to be of much macroeconomic benefit in the short run and is also unlikely to be passed in time to address the current sluggishness in the economy. Most economists believe that with the exception of a significant recession, macroeconomic fluctuations such as a decline in the growth rate should be addressed primarily by the Federal Reserve.

CENTER ON BUDGET AND POLICY PRIORITIES, MARCH 6, 2001

IN MANY STATES, ONE-THIRD TO ONE-HALF OF FAMILIES WOULD NOT BENEFIT FROM BUSH TAX PLAN

(By Nick Johnson, Allen Dupree, and Isaac Shapiro)

A substantial number of families in every State would not benefit from tax plan

A substantial portion of families with children in each of the 50 states and the District of Columbia would receive no assistance from President Bush's tax plan submitted to Congress in early February. In some states, as high a portion as one in two children live in families that would receive no assistance under the provisions of the plan. In every state, the number of families that would not benefit from the plan is substantial.

Nationwide, an estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families with children—would not receive any tax reduction from the Bush proposal. Approximately 24.1 million children—33.5 percent of all children—live in the excluded families. The vast majority of the excluded families include workers.

These families are distributed somewhat unevenly across the states. Among the states where high percentages of families and children would not benefit from the plan are Arizona, Arkansas, California, Georgia, Louisiana, Mississippi, Montana, New Mexico, North Dakota, Texas, and West Virginia, plus the District of Columbia. In each of those states, about 40 percent to 50 percent of all children live in the excluded families. In California alone, 1.7 million families with 3.7 million children would not benefit from the tax cut. Even in the states with the smallest proportion of low- and moderate-income families—such as Colorado, Connecticut, Maryland, Minnesota and Wisconsin—about one in five families would not benefit from the tax cut.

This analysis investigates these figures in more detail and examines the reason that so many families and children do not benefit—the families have incomes too low to owe federal income taxes. The Bush plan reduces only income taxes and taxes on large estates. This leads to a discussion of whether families that do not owe income taxes should benefit from a large tax-cut proposal and the extent to which they owe taxes other than income taxes, most notably the payroll tax. The large majority of the excluded families do pay payroll taxes and other federal taxes, plus substantial amounts of state and local taxes, and can have significant overall tax bills. Among all American families, three of every four pay more in federal payroll taxes than in income taxes.

FAMILIES AND CHILDREN THAT WOULD NOT BENEFIT FROM BUSH TAX PLAN, BY STATE

State	Number of families	Percent of families	Number of children	Percent of children
New Mexico	117,000	47	278,000	52
District of Columbia	25,000	43	54,000	48
Mississippi	194,000	42	339,000	45
West Virginia	99,000	42	161,000	45
Louisiana	270,000	41	496,000	44
Arizona	278,000	41	565,000	41
Tennessee	298,000	39	528,000	38
Montana	50,000	38	98,000	41
Texas	1,167,000	38	2,256,000	41
Georgia	431,000	38	859,000	41
Arkansas	140,000	37	276,000	40
New York	922,000	36	1,865,000	39
Alabama	227,000	36	436,000	38
North Dakota	30,000	36	61,000	40
California	1,742,000	35	3,744,000	40
Kentucky	198,000	35	326,000	35
Hawaii	58,000	34	108,000	33
South Carolina	190,000	34	338,000	37
Idaho	62,000	33	138,000	40
North Carolina	349,000	33	644,000	34
Florida	630,000	33	1,213,000	35
Oklahoma	144,000	32	282,000	35
Oregon	146,000	31	291,000	33
Wyoming	22,000	30	43,000	33
Missouri	236,000	30	435,000	30
Kansas	107,000	29	201,000	30
Delaware	32,000	29	70,000	34
Ohio	460,000	29	887,000	30
Maine	49,000	29	90,000	29
Nebraska	63,000	28	132,000	29
Massachusetts	224,000	28	471,000	31
Illinois	482,000	28	985,000	30
Michigan	396,000	28	807,000	28
Nevada	76,000	27	172,000	29
Vermont	23,000	27	43,000	28
South Dakota	27,000	27	50,000	27
Iowa	107,000	26	201,000	28

FAMILIES AND CHILDREN THAT WOULD NOT BENEFIT FROM BUSH TAX PLAN, BY STATE—Continued

State	Number of families	Percent of families	Number of children	Percent of children
Pennsylvania	413,000	26	835,000	29
Virginia	242,000	25	439,000	26
Washington	203,000	25	391,000	28
Rhode Island	34,000	25	68,000	26
Indiana	208,000	25	390,000	26
Alaska	25,000	24	50,000	25
New Jersey	247,000	23	486,000	24
Utah	78,000	23	171,000	24
New Hampshire	41,000	23	83,000	23
Maryland	136,000	21	255,000	21
Minnesota	134,000	20	297,000	22
Wisconsin	157,000	20	316,000	20
Connecticut	86,000	19	191,000	21
Colorado	106,000	18	233,000	20
U.S. Total	12,182,000	31	24,148,000	34

Source: Center on Budget and Policy Priorities tabulations from U.S. Census, Current Population Survey.

Who would be excluded?

We examined the latest data from the U.S. Census Bureau to estimate the number of families and children under 18 who would receive no assistance from the Bush tax plan. To ensure accurate estimates at the state level, we used data for the three years from 1997 to 1999; our analysis estimates the effects of the plan as if it were in full effect in those years. Using data for three years rather than data collected within a single year enlarges the sample size, thus increasing precision.

The table on page 2 shows how many of these families live in each state and in the District of Columbia. The figures indicate that throughout the country, there would be substantial numbers of children left out of the plan. In some states, extremely high numbers of children and families would receive no benefit.

An estimated 3.7 million children in California, 2.3 million children in Texas, 1.9 million children in New York, and 1.2 million children in Florida, along with their families, would receive no benefit from the tax proposal. In each of another eight states—Arizona, Georgia, Illinois, Michigan, North Carolina, Ohio, Pennsylvania, and Tennessee—the families of half a million children, or more, would fail to gain from the tax cut plan.

In less populous states, the numbers of children and families that would not benefit from the plan are smaller but still substantial. Even in the least populous states, such as Alaska, Vermont and Wyoming, tens of thousands of families with children would not benefit.

Approximately 52 percent of children in New Mexico live in families that would not benefit under the tax proposal. Other states where approximately 40 percent to 50 percent of children live in families that would not benefit include Alabama, Arizona, Arkansas, California, Georgia, Idaho, Louisiana, Mississippi, Montana, New York, North Dakota, Tennessee, Texas, and West Virginia, plus the District of Columbia. Not surprisingly, because the families that would be excluded under the Bush plan are those with incomes below the poverty line or modestly above it, these states tend to have relatively high levels of child poverty.

By contrast, families in wealthier states are least likely to be excluded from the Bush plan. Even in relatively low-poverty states, like Colorado, Connecticut, Maryland, Minnesota and Wisconsin, 18 percent to 22 percent of children and families would not benefit from the plan.

The finding that about one in three families nationwide does not benefit from the tax plan is consistent with the findings of independent analyses of who is left out of the Bush plan that have been conducted by researchers at the Brookings Institution, the Urban Institute, and the Institute on Taxation and Economic Policy. All three sets of analyses indicate that among all families with children, nearly one in three would not receive any assistance from the Administration's proposal.

Even the Bush proposal to double the child tax credit—the feature of the President's tax plan that one might expect to provide the most assistance to children in low- and moderate-income families—would be of little or no help to most of these children. This proposal would provide the largest tax reductions to families with incomes above $110,000 and confer a much larger share of its benefits on upper-income families than on low- and middle-income families.

Under the Bush plan, the maximum child credit would be raised from $500 per child to $1,000 in 2006.

All families with two children in the $110,000 to $250,000 range, however, would receive an increase in their child tax credit of more than $500 per child. For most of these affluent taxpayers, the child credit would rise from zero under current law to $1,000 per child under the Administration's plan. This is because the Bush proposal extends the child tax credit to many families with high incomes who currently receive no credit at all. (This outcome results from two provisions of the Bush plan. The plan both increases the point at which the child credit begins to phase out and slows the rate at which it phases out. Under current law, the credit for a married family with two children phases out between $110,000 and $130,000. Under the Bush plan, when fully in effect starting in 2006, the credit for such a family would phase out between $200,000 and $300,000. Families between $130,000 and $300,000 thus would be made newly eligible for the credit.)

By contrast, the Bush plan does not extend the credit to any low- and moderate-income families who currently receive nothing from the credit. Under the plan, increased coverage for high-income families with children is not accompanied by increased coverage for low-income families.

Why don't families benefit?

During 2000, Bush campaign officials touted their tax-cut plan as benefitting lower-income taxpayers substantially in two key ways—by doubling the child credit to $ 1,000 per child and by establishing a new 10 percent tax-rate bracket. Some married families also would benefit from the plan's two-earner deduction. None of these features, however, affect a family that owes no income taxes under current law.

A large portion of families with children fall into this category. As a result of the combination of the standard deduction (or itemized deductions if a family itemizes), the personal exemption, and existing credits such as the child tax credit, these families do not owe federal income taxes. (As described below in more detail, these families can pay substantial amounts in other taxes, such as payroll and excise taxes, even after the Earned Income Tax Credit is taken into account.)

The level at which families now begin to pay federal income taxes is well above the poverty line. For example, in 2001, a two-parent family of four does not begin to owe income tax—and thus does not begin to benefit from the Bush plan—until its income reaches $25,870, some 44 percent above the poverty line of $17,950. Families with incomes below the poverty line would receive no assistance from the tax cut, nor would many families with incomes modestly above the poverty line.

The framers of the Bush plan could have assisted low-income working families by improving the Earned Income Tax Credit, which provides tax relief and supplements wages for low- and moderate-income working families. Alternatively, the Bush plan could have expanded the dependent care tax credit—a credit that can offset a family's child care costs—and made it available to the low-income working families who now are denied access to this credit because it is not ''refundable'' (that is, it cannot exceed the income taxes a family otherwise owes). Or, the plan could have increased the now-limited degree to which the child tax credit is refundable and can be used to offset taxes other than income taxes. The plan takes none of these steps.

Which families should benefit?

Since the reason that millions of families and their children would not benefit from the Bush plan is that they do not owe federal income taxes, some have argued that it is appropriate they not benefit. ''Tax relief should go to those who pay taxes'' is the short-hand version of this argument. This line of reasoning is not persuasive for several reasons.

1. A significant number of these families owe federal taxes other than federal income taxes, often paying significant amounts. For most families, the biggest federal tax burden by far is the payroll tax, not the income tax. Data from the Congressional Budget Office show that in 1999, three-fourths of all U.S. families paid more in federal payroll taxes than in federal income taxes. (This comparison includes both employee and employer shares of the payroll tax; most economists concur that the employer's share of the payroll tax is passed along to workers in the form of lower wages.) Among the bottom fifth of households, 99 percent pay more in payroll than income taxes. Low-income families also pay federal excise taxes and state and local taxes, which are discussed further on the next page. While the Earned Income Tax Credit offsets these taxes for many working poor families, many families with incomes modestly above the poverty line who would not benefit from the Bush plan are net taxpayers.

Consider two types of families earning $25,000 a year in 2001, an income level President Bush has used in some of his speeches, including his first radio address to the nation about his tax package. In this radio address, the President used the hypothetical example of a waitress who is a single-mother with two children and earns $25,000 a year and indicated her family would be a prime beneficiary of the tax cut. The figures suggest otherwise.

A single mother with two children and income of $25,000 would pay $3,825 in payroll taxes (again, counting both the employee and employer share) and lesser amounts in gasoline and other excise taxes. The family pays various state taxes as well. The family would receive an Earned Income Tax Credit of $1,500, well under half of its payroll taxes.

As a result, even if just payroll taxes and the EITC are considered, the family's net federal tax bill would be $2,325. Nonetheless, this family might receive no tax cut under the Bush plan. If this single-mother waitress pays at least $170 a month in child care costs so she can work and support her family—an amount that represents a rather modest expenditure for child care—she would receive

no tax cut under the Bush plan despite having a significant net tax burden. (The amount of child care costs affects the calculation due to the interaction between the dependent care credit and the child credit. If she had no child care costs, she would qualify for no dependent care credit and would receive a modest income tax cut, though it would be far below what she owes in payroll taxes.)

A two-parent family of four with income of $25,000 would not receive a tax cut under the Bush plan, whether or not the family has child care costs. For such families as well, their payroll taxes exceed their EITC by $2,325.

2. Low and moderate-income families in every state pay state and local taxes, often paying a larger percentage of income in such taxes than higher-income families. Families with incomes below or near the poverty line bear substantial state and local tax burdens. These taxes commonly include sales taxes, excise taxes on such items as gasoline, property taxes (passed on by landlords to tenants in the form of increased rent), various tax-like fees, and sometimes state or locality-specific taxes such as local taxes on wages. In addition, many states have income taxes that tax families at much lower income levels than the federal tax does. The Institute on Taxation and Economic Policy estimates that state and local taxes altogether equal anywhere from eight percent to 17 percent of the income of an average low-income married couple, depending on the state. Furthermore, these burdens are inequitably distributed; in almost every state, lower-income families pay a larger share of their incomes in state and local taxes than higher income families.

Although some states have taken steps to reduce the burden of taxes on low-income families in recent years, they are limited in their ability to do so. States that for many years have levied the sales, excise and property taxes that are most burdensome on the poor cannot simply eliminate those taxes without dramatic effects on state budgets. In addition, it is cumbersome for states to target relief to poor families that are burdened by these taxes. For example, the sales tax is collected by merchants from consumers without regard to their income level, and property taxes are passed through from property owners to renters as part of a rent payment. Moreover, states with higher levels of poverty often have the least fiscal resources with which to pay for tax relief for low-income families.

These state and local taxes that poor families pay often help finance federally required services or joint federal-state programs. For instance, state contributions to Medicaid typically are financed in whole or in part by general fund taxes such as state sales taxes and excise taxes. Similarly, state contributions to federal highway construction often are financed by gasoline and other motor vehicle taxes. In part because these and other federal programs rely on state and local taxes, it can be appropriate for the federal government to administer tax relief that helps offset the burden of those taxes.

3. An additional income boost would further the objective of helping working families lift themselves out of poverty. A key theme of welfare reform has been to prod, assist, and enable families to work their way out of poverty. The principle of helping families work their way out of poverty has gained support across the political spectrum. This principle is important for married families and single-parent families, and there is considerable evidence that welfare reform—in combination with a strong economy, low unemployment rates, and the EITC—has significantly increased employment rates among single mothers. Providing increased assistance to the working poor through the tax system could further the goal of ''making work pay.''

Such assistance is particularly important since much of the recent gain in the earnings of the working poor has been offset by declines in other supports. For example, from 1995 to 1999 the poorest 40 percent of families headed by a single mother experienced an average increase in earnings of about $2,300. After accounting for their decrease in means-tested benefits and increases in taxes, their net incomes rose only $292. (Both changes are adjusted for inflation.)

In addition, a study the Manpower Demonstration Research Corporation recently released finds that improving income—and not just employment—is important if the lives of children in poor families are to improve. The MDRC report examined five studies covering 11 different welfare reform programs. The report's central finding was that increased employment among the parents in a family did not by itself significantly improve their children's lives. It was only in programs where the parents experienced increased employment and increased income that there were positive effects—such as higher school achievement—for their elementary school-aged children.

4. The Bush approach fails to reduce the high marginal tax rates that many low-income families face. Throughout the campaign and early into the new Presidency, President Bush and his advisors have cited the need to reduce the high marginal tax rates that many low-income working families face as one of their tax plan's principal goals. They have observed that a significant fraction of each additional dollar these families earn is lost as a result of increased income and payroll taxes and the phasing out of the EITC. Yet a large number of low-income families that confront some of the highest marginal tax rates of any families in the nation would not have their rates reduced at all by the Bush plan

Analysts across the ideological spectrum have long recognized that the working families who gain the least from each additional dollar earned are those with incomes between about $13,000 and $20,000. For each additional dollar these families earn, they lose up to 21 cents in the EITC, 7.65 cents in payroll taxes (15.3 cents if the employer's share of the payroll tax is counted), and 24 cents to 36 cents if they receive food stamp benefits. They lose additional amounts if they receive housing assistance or a state child care subsidy on a sliding fee scale, or if they are subject to state income taxes. Their marginal tax rates are well above 50 percent. The Bush plan does not reduce these rates.

Ways to reduce marginal tax rates for such families are available and not especially expensive. One approach is to raise the income level at which the EITC begins to phase down as earnings rise and/or reduce the rate at which the EITC phases down. Bipartisan legislation that Senators Rockefeller, Jeffords, and Breaux introduced last year follows such a course, as does another proposal made by Rep. Ben Cardin. Another way to lower marginal rates would be to expand substantially the existing, very limited refundable component of the child credit.

5. The rewards from the surplus should be spread throughout the population. The Bush tax plan would take most or all of the surplus that is projected to occur over the next ten years outside Social Security and Medicare. Democratic leaders have proposed substantially smaller but still significant tax cuts. If tax cuts are to be provided as one of the principal uses of the surplus, as seems likely, it is appropriate to dedicate some portion of those tax cuts to people with the most pressing needs, such as low-income families with children.

Mr. CASTLE. Mr. Speaker, I rise today in strong support of H.R. 3, ''The Economic Growth and Tax Relief Act of 2001.'' This $958 billion proposal to reduce income tax rates over the next ten years represents the centerpiece of President George W. Bush's tax plan for the American people. It also represents a very fair form of tax relief because it does not give tax relief to special interests. Instead, it gives money back to every American who paid more in income taxes than is necessary to operate the Federal Government. All working Americans of every income level deserve to have some of their tax dollars returned to them. I congratulate President Bush for his leadership putting tax relief for every American ahead of special interest groups. This proposal demonstrates his commitment to changing the culture in Washington, D.C.

The rate reductions in this bill would cut rates for taxpayers from 15% to 10% on the first $12,000 a couple earns; 15% for income from $12,000 to $45,200; from 28% or 31% to 25% for income from $45,200 to $109,250; and from 36% or 39.6% to 33% for income above $109,250. In addition, the plan adjusts the Alternative Minimum Tax to protect taxpayers from being penalized for claiming the child tax credits they are promised under the tax code.

In recent months, there has been much discussion about the fairness of tax cuts. When one looks beyond the rhetoric of class warfare, there is strong evidence that President Bush's tax cut proposal is truly fair. When the tax cut is fully implemented, families earning less than $18,000 [the bottom quintile (0%–20%) of income earners in this country] will see their after-tax income rise 1.1%. With the Earned Income Tax Credit program they receive an income tax credit without paying Federal income taxes. It is also important to keep in mind that we will continue to fund an important array of Federal programs that provide assistance to low-income Americans. More than $3.7 trillion in Federal funds will be spent over the next ten years on programs that are intended to help low-income Americans. We must help low-income Americans and we will continue to do so.

Mr. Speaker, taxpayers in my state of Delaware are large contributors to the Federal Government. Delawareans receive only 84 cents in return for every tax dollar they pay to the Federal Government. I am proud that I come from a successful and well-run state. However, when their Federal taxes will help create a true budget surplus of $2.7 trillion, it is proper for Delawareans to ask for some share back so they can use their hard-earned money to help their families and keep their local communities strong. According to one estimate, the rate reduction in this bill could return $3.8 billion to Delawareans as a whole. These funds will be invested in ways to create jobs and keep Delaware's economy strong and growing—helping all families.

The tax relief under this plan is intended to help lower income Americans. Families earning less than $35,000 [income earners representing second quintile (21%–40%)] currently pay 0.5% of all Federal income taxes. Under President Bush's rate reduction plan, their after tax income would rise 1.5%. In fact, if the President's child tax credit is enacted in addition to this rate cut, a married couple with two children living on one income, will pay no income taxes on the first $39,000 they earn.

Will the highest income taxpayers continue to pay their fair share? Yes, and a larger percentage of Federal taxes as well. Taxpayers at the top 10% of income levels, these families earning more than $140,000 currently pay 61.3% of all Federal income taxes. This is up from 57.3% in 1988. The reason is that in 1990 the top income tax rate was raised from 28% to 31%. Then, in 1993, it was raised again to 39.6%. The justification cited at that time was that these funds were needed to reduce the federal budget deficits. Those deficit spending days are gone and taxpaying families that shouldered the extra burden for the last decade also deserve some tax relief. Instead of returning the top income tax rate to 28%, President Bush's plan reduces it to 33%. Upper income taxpayers will continue to pay the largest portion of federal taxes, but they will receive some tax relief.

Apart from the question of fairness, is the question of the overall size of the tax cut and the soundness of the assumptions upon which the surplus projections rest. $958 billion over the next 10 years falls within the range of tax cuts that both Republicans and Democrats believe is reasonable within the projected $2.7 trillion surplus. However, 10-year surplus projections are inherently uncertain. One only needs to look at projections from a few years ago that predicted budget deficits. I support additional steps to ensure we achieve the predicted surpluses and continue to reduce the national debt.

One safeguard that should be considered is a trigger on the phase in of future tax cuts and new spending. Like Federal Reserve Chairman Alan Greenspan, I support adding a trigger that would delay the phasing in of these tax rate reductions if the surplus does not materialize as projected and the national debt is not reduced. Contrary to some interest groups' political spin, a trigger does not raise taxes. I also note that Chairman Greenspan's support for tax cuts is conditioned upon this surplus materializing. He still believes that debt reduction is the first priority. I agree with his views that debt reduction, used as a tool to decrease the interest many Americans pay on credit care debt, home mortgages, and education loans, is the best way to bring financial relief to our country and spur economic growth.

Mr. Speaker, even though this initial tax relief legislation does not contain a trigger, I still support its passage for three reasons. First, I recognize that this is the beginning of the 2001 tax debate, not the end. There will be other opportunities to improve the final budget and tax legislation and I look forward to that discussion with you. Second, the Federal Government has a spending problem. In budget negotiations with the previous Administration, there was a serious lack of fiscal control in both parties. Spending increases far exceeded the rate of inflation. If this were sustained, there would not be room in the surplus for a tax cut or debt relief. Third, triggers on tax cuts represent only half the story. Those who have listened carefully to Chairman Greenspan note that he supports both a trigger on tax cuts and on long-term spending. During the upcoming budget debate, there will be opportunity to discuss the value of a trigger on both spending and tax cuts. I believe Americans need to hear both sides of this story.

Mr. Speaker, again, I am proud to support "The Economic Growth and Tax Relief Act." It meets the tests of fairness by providing meaningful relief to all income levels. It is fair and brings relief to my state of Delaware. Its size is compatible with debt reduction goals. Finally, it sends the proper message to Washington, D.C. that broad-based tax relief is more important than ever-increasing levels of government spending. I will continue to work to ensure that the ultimate tax relief and budget legislation is fair to all Americans, protects the surplus and pays down the debt. I look forward to this effort.

Mr. UDALL of Colorado. Mr. Speaker, I regret that I cannot support this bill—but I am convinced that to vote for it today would be a serious mistake.

In fact, we should not even be considering the bill today. We have not yet even begun consideration of an overall budget resolution, let alone reached an agreement with the Senate on a budget framework.

We have not had a chance to weigh how this bill or any other bills to reduce taxes would affect other important priorities, including continued progress in reducing the publicly-held debt, strengthening Social Security and Medicare, and investing in our schools, our communities, and our country.

We do not yet have a complete budget proposal from the President, but already we can see he is proposing to make room for his tax bill by cuts in other areas, including important research and development programs. And the bill before us today is only the first installment on the President's plan.

That is why the law says, and what is provided for by the House's own rules. But that is not what we are doing—we are waiving the rules, so that we can rush to pass this bill before we have a chance to consider how—or whether—it would fit with every other part of the budget.

It may be politically important for the new Bush Administration to rush this process, but it is not a responsible way to make budgetary decisions that may have profound consequences for future generations of Americans. That is the way the budget process is supposed to work. That is not the way any family in America would go about making a budget, and it is not how we should go about doing our jobs either.

That is why I voted against the resolution to waive the normal rules and bring the bill to the floor today.

But since the Republican leadership insisted on going forward, regardless of the normal rules and common prudence, we should have at least proceeded more cautiously and with a better focus.

That is why I voted for the Democratic substitute—because it was the more prudent alternative.

Mr. Speaker, Colorado is an arid state. If you come to visit us in the summer you will find it is sunny almost every day. We like it that way, and do so our summer visitors. But that means we have to be careful about water. We watch the snowpack carefully, and we work to conserve water so we will be prepared for a dry season. We know how hard it is to accurately forecast the weather, and how risky it would be to drain our reservoirs prematurely because of a long-range forecast of surplus water in coming years.

And, Mr. Speaker, it is just as risky to rely too much on long-range forecasts of future budget surpluses—as the Republican bill does.

The Democratic alternative took a more cautious approach. The Democratic alternative would have lowered taxes for everybody, by lowering from 15 percent to 12 percent the tax on the first $10,000 for a single taxpayer, the first $18,000 for heads of households, and the first $20,000 for married couples filing jointly. It also would have addressed the "marriage penalty" by allowing married couples filing jointly twice the standard deduction used by single filers. And it would have adjusted the alternative minimum tax (AMT) to assure that all taxpayers who pay income taxes would receive the benefit of its reduction in rates and that everyone eligible for the Earned Income Tax Credit and the child credit would receive the full benefit of those provisions of the law.

But it would not have gone as far as the Republican bill to slow reduction of the publicly-held debt. It would not have gone as far to reduce our ability to strengthen Social Security and Medicare. I would not have bet as much on a 10-year forecast of good economic weather. In short, the Democratic alternative would have provided real tax relief for millions of Americans, without the same risks to the economy as the Republican bill.

It is very important that we continue on the path of fiscal responsibility and pay down the public debt, which will mean lower interest rates, lower mortgages, and lower student loan payments. That is first-class tax relief.

Today, my first choice would have been for us to first debate an overall budget resolution under normal rules, so that we could carefully frame real, substantial tax reductions in the full context of the debt and other important priorities. My second choice was to support the Democratic alternative.

The Republican leadership rejected both those courses and have left me only with the choice of an irresponsible vote or a vote against this bill.

That means I have no responsible choice except to vote no, and hope. I hope that the Senate will take a more cautious, responsible course than the Republican leadership here in the House. And I hope that the result will be a sounder, more balanced bill that all of us can and should support.

Mr. SANDLIN. Mr. Speaker, I want to take a moment to talk about today's vote on tax cuts and in so doing lay out what I believe is a responsible and balanced approach to fiscal policy. We have heard a great deal from the Republican Leadership and the Bush Administration about the importance of passing massive tax cuts now. Last week, the President came to this chamber to make his case for tax

relief and I must say I found myself agreeing with a great deal of what he said. I support tax fairness for America's working families. We need tax relief and I support lower taxes—including complete repeal of the Federal Estate Tax and elimination of the Marriage Penalty.

It is, however, because of my desire to enact significant tax relief coupled with the fact that I am interested in working with President Bush on the items in his agenda, that I am so disappointed in how the Republican Leadership has chosen to proceed. To pass any massive tax cut without first setting a budget framework is simply irresponsible and does not set a positive tone. Debating, voting, and passing a budget resolution that balances the priorities of Congress and the President is not an argument about process or rules. Rather, it is the foundation from which all subsequent debates between Congress and the White House follow. To act on a tax proposal before enacting, let alone debating, a budget framework severly restricts Congress's ability to address other priorities, particularly strengthening Social Security and Medicare and paying off the national debt.

The submission of a budget blueprint by President Bush setting out how he proposes to balance priorities within an overall budget is an important first step. Congress should take the next step of adopting a budget resolution that balances the President's priorities with those of Members of Congress in both parties. The large projected surpluses by the Congressional Budget Office (CBO) are as tempting to squander on new spending programs as on passing a massive tax cut. We must remember that it was not that long ago, official forecasts predicted crushing budget deficits, which would make today's debate over the size of a tax cut seem reckless. A budget resolution, therefore, puts Congress on record to adhere to set spending levels. Rushing ahead with tax cut legislation before we have reached an agreement on a fiscally responsible budget framework that honestly balances all of the tax and spending priorities of both parties would be irresponsible and could have severe negative consequences for the budget and the economy.

A bipartisan budget is imperative because the budget sets the tone and tenor for the year, the Congress, and this administration. President Bush has spoken often of the need to change the tone in Washington and his early actions demonstrate a commitment to bipartisanship. As a member of the Blue Dog Coalition, a group of Members who support enacting a fiscally responsible budget plan, we have asked the President to insist that Congress consider a budget resolution before tax cuts. I am disappointed that to date all we have gotten from the White House is a budget outline, short on specific budget figures. Silence from the White House has lead us to where we are today—voting on a massive tax cut before anyone fully understands how such a measure impacts the budget. By putting the cart before the horse and passing a tax cut before a budget is in place, the President has squandered an opportunity to capitalize on the goodwill of his first few months in office.

Although I am disappointed by the handling of today's debate by the House leadership, I still believe that Congress can work together to pass significant tax relief. I ask my colleagues on the other side of the aisle to stop playing politics with tax cuts. The American people deserve tax relief; however, they expect Congress not to abandon the sound fiscal policies and risk a return to deficits. We can provide affordable tax cuts, strengthen Social Security and Medicare, and pay off the national debt, but we must be careful not to squander this momentous opportunity through irresponsible fiscal policy.

Mr. HOLT. Mr. Speaker, I strongly support the alternative tax cut package put forth by Congressman RANGEL and oppose the package by the President and the majority in the House.

People in New Jersey pay too much in taxes. That's why I have been one of the few Democrats in Congress who has been willing to cross party lines to vote for eliminating the estate tax, to vote for eliminating the marriage penalty, to vote for cutting taxes for small businesses, and to vote for cutting taxes for senior citizens. It's why I have pushed for tax breaks that will help local communities keep their property taxes low by helping with the costs of school construction. And it's why I have consistently supported making permanent job-producing tax credits like the Research and Development Tax Credit.

The Rangel tax cut proposal deserves our support. It cuts the tax rates for hard pressed New Jerseyans, adjusts the Alternative Minimum Tax, and expands the child tax credit for families with kids. It undertakes all of these tax cuts in a responsible way while protecting Social Security and Medicare, paying down our debt, and saving part of the budget surplus in the event of a ''rainy day.''

H.R. 3, the bill the majority has brought before us today, is simply too large, too irresponsible and based on projections that are just too uncertain.

The authors of this bill have rushed it to the floor without knowing what the rest of the budget holds. And they are basing their bill on financial projections that may or may not materialize. High tech forecasters can't predict the weather two days away as we have been reminded when forecasts earlier this week called for a historically large snowfall in New Jersey that never materialized. But supporters of H.R. 3 are betting that we can accurately predict the financial weather a decade from now. It is worth noting that economic projections that were made just three years ago have proven to be trillions of dollars off the mark. One can only guess how accurate these 10-year projections might be.

Parents in my central New Jersey district don't bet their children's financial future on rosy scenarios, and castle-in-the sky projections. They sit around the kitchen table and budget their bills, their income and their anticipated expenses. They make tough choices. They don't squander a lot of money to buy a lavish vacation home, counting on a raise the breadwinner hopes to get in future years, without first figuring out how to pay the medical bills, send their children to college and save for retirement. They expect from us the same type of honesty and responsibility when we make budget decisions that affect their families.

When this proposed tax cut is combined with the other elements of President Bush's entire tax plan, it costs well over $2 trillion, after adding in interest on the debt and other hidden costs. The entire available surplus is just $2.7 trillion. Spending that much of the surplus—that is, the projected surplus—is simply irresponsible. It leaves no room for the other important priorities that our Nation faces. And it is a recipe for huge budget deficits.

My constituents elected me to make decisions based on evidence, not partisan ideology. And the evidence is that this bill is all too likely to throw our economy into the same financial ditch that President Bush's Secretary of Treasury, Paul O'Neill, admits President Reagan's 1981 tax cut put the country in. Republicans and Democrats alike have labored long and so hard to pull us out of that ditch. Let's not repeat the mistakes of the past.

This plan is also unfair. It gives 45% of the tax benefits to the top 1%—those with an average income of $1.1 million—and fails to give a single dime to more than 12 million low- and middle-income families with 24 million children. We can do better than that.

By arriving at a tax cut in a responsible way and making sure that we can continue to pay down the national debt, we can generate confidence among investors and consumers, ensure lower interest rates, and put more money in the pockets of almost all Americans than they would get from the proposed tax cut.

Together, I know that we could come together to pass a responsible tax cut for Americans. But this bill is not responsible, and it has not been crafted in the bipartisan, civil way that President Bush has asked us to behave.

Let me also say that, like most Americans, I have been greatly encouraged by President Bush's promise to change the tone in Washington by ending the excessive partisan warfare in this city. It pains me to see that pledge undercut at the very beginning of the President's term. The administration and the leadership should not rush through on a partisan basis legislation embodying the President's top priority, without consulting with Democrats. They should work together with me and others in the minority who support tax cuts to craft a bipartisan, responsible tax cut.

I urge my colleagues to support the Rangel tax cut and oppose H.R. 3.

Mr. CUNNINGHAM. Mr. Speaker, I rise today in support of H.R. 3, the Economic Growth and Tax Relief Act of 2001. The plan that we are considering today reduces to 12% the current 15% tax rate on the first $12,000 of taxable income for couples ($6,000 for singles) to get money in the hands of those who need it most. The new rate is applied retroactively to January 1, 2001. This plan also consolidates by 2006 the current 5-rate tax structure (15%, 28%, 31%, 36% and 39.6%) into four new rates (10%, 15%, 25%, and 33%). This legislation is an important first step in returning tax overpayments to the American people.

The American people are working harder than ever, and they are spending 40 percent of their income in Federal, State, and local taxes. I think that it is unconscionable that families are paying more in taxes, than for food, clothing, and shelter combined, and that 4 months of every year, taxpayers are working to pay the federal government. The Congressional Budget Office (CBO) has estimated that

over the next 10 years, Washington will collect a $5.6 trillion tax surplus. Taxpayers are sending us more than we need—and there is no doubt in my mind that if we don't return it, that money will be spent. It is time to return that money and let the American people spend their own money to meet their own needs.

When we return this tax surplus to American families, they will see more than just the benefit of a refund check. I am concerned that our economy is slowing down—consumer confidence, capital investment and growth are down, while layoffs, energy prices and anxieties are up. We need to give the economy a boost, and any credible economist can tell you that tax cuts will do that. So not only will the American people get their overpayment back, but they will also reap the benefit of a rejuvenated economy that will enhance their prosperity.

I look forward to working with President Bush and my colleagues in the House and Senate to build on this important first step to return the tax surplus to the American people. I rise today in support of H.R. 3, and also to voice my support for President Bush's other tax refund initiatives which include doubling the child tax credit, reducing the marriage penalty, eliminating the death tax, expanding the charitable tax deduction, and making the research and development tax credit permanent.

Mrs. CAPPS. Mr. Speaker, today I voted to cut taxes for all Americans. And I voted in support of fiscal responsibility.

I believe we need to cut taxes and have voted to do so repeatedly during my short time in Congress. At a minimum, we should lower overall tax rates, fix the marriage penalty, and reform the estate tax laws.

But tax cuts must be done in the context of an overall budget framework that will allow us to meet other pressing priorities. And we must remember that much of this surplus is still only a projection—it's not money in the bank.

We must continue paying down the $3.4 trillion national debt. Our progress in debt reduction has kept interest rates down and allowed families to pay less for their homes and cars. We must also ensure the long-term solvency of Social Security and Medicare, provide prescription drug coverage for our seniors, improve education and protect our environment.

The proposal I voted for today will allow us to do all these things, while providing tax cuts for all taxpayers.

I fear that the tax cut bill being pushed by the House leadership and President Bush is too big and won't allow us to accomplish these other important goals. I also fear that it could open the door to a new era of runaway deficits that would cripple our economy. And I am disappointed that the House leadership has chosen to bring tax cuts to a vote before we have a budget in place.

The prosperity we have enjoyed over the last decade has produced the record surpluses we have today and are projecting for the future. Let's take advantage of this moment and give American families the tax relief they deserve. But let's not squander this opportunity by passing irresponsible tax cuts that our families, and our nation, can ill afford.

Mr. CHAMBLISS. Mr. Speaker, our government is too big and spends too much money. Americans are over taxed and being asked to pay too much to the federal government. Tax relief is about freedom. Freedom for American families to save, spend or invest as they see fit. Tax relief is about returning dollars and decisions back home to families in Georgia and across the country.

Americans will send $5.6 trillion more to Washington over the next ten years than is needed to run the federal government. Some of these funds will be locked away to ensure that Social Security and Medicare are strengthened. Some of these funds will go toward reducing the national debt. And some of these funds will be spent on important priorities such as education, prescription drugs, and strengthen our military. But the rest of the federal budget surplus should be returned to the American people in the form of tax relief. Working Americans deserve relief now.

We worked hard over the past few years to enact tax relief for American people but were stymied by the previous president. President Bush has shown leadership in putting forward a plan that helps relieve the tax burden on working families, and I am pleased that we now have an opportunity to provide a refund to those people who work hard everyday to make the greatest country in the world productive.

The President's plan is balanced and fair; it reduces inequities in the tax code while at the same time providing for long term economic growth. This bill today will give tax relief to all taxpayers and return decision making power to families who know best how to spend their money.

I urge my colleagues to join me in supporting this bill because it is simple and fair and will provide powerful incentives to save and invest.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3, the Economic Growth and Tax Relief Act of 2001.

H.R. 3 represents the first vote on a key component of the new President's campaign agenda; tax relief for American families. This legislation begins this process by providing for across-the-board reductions in the marginal rates of the Federal income tax.

Under H.R. 3, the current 15 percent rate would be reduced to 12 percent on the first $12,000 for couples and the first $6,000 for single filers. This provision would be applied retroactively to the beginning of 2001.

The bill further reduces and makes adjustments to rate brackets over the next five years, so that by 2006, the current five brackets (15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent) would be replaced by four lower brackets set at 10 percent, 15 percent, 25 percent and 33 percent respectively.

Mr. Speaker, this House passed a number of important tax reduction bills over the past two years, only to see them fall victim to presidential vetoes. We are now in a position to break this pattern and offer real tax relief for hard working American families. It is refreshing to know that we now have a partner in the White House who is willing to work with us in achieving this goal, rather than dredging up the tired old class warfare excuses not to enact real reductions.

This change in political climate could not have come at a better time. After years of sustaining high levels of growth, the economy took a sharp downturn in the 4th quarter of last year. While it does not appear that it has slipped into recession, this possibility cannot yet be discounted. Given this, as well as the fact that the long-term budget surplus estimates continue to exceed expectations, it makes sense to use a tax cut to help boost our economy.

I have always strongly supported the premise that everyone who pays income taxes should benefit from an income tax cut. Therefore, I believe that this legislation to reduce the marginal rates across-the-board is appropriate. The higher rates were sharply raised in 1993 to help reduce the budget deficit. Since then, this increase accomplished what it set out to do. At the time there was no reason to believe that those tax increases were intended to be permanent. Given our current growing surplus, it is inappropriate not to repeal them.

This point cannot be overstated. Our Nation is currently enjoying a budget surplus, above and beyond the surplus provided by the Social Security Trust Fund. Over the next ten years this surplus is expected to substantially increase.

For those who cite the inaccuracies of long term projections as a reason to oppose tax cuts, it bears noting that the Congressional Budget Office is using very conservative numbers for economic growth assumptions in formulating these projections. The rate of economic growth has exceeded similar projections over the past five years, and should it continue to do so in the future, the size of the surplus will only grow.

Moreover, the last five years have shown that the Congressional Budget Office (C.B.O.) has consistently underestimated the level of economic growth and the size of the surplus. My colleagues may remember that the budget was not supposed to initially go into a surplus until 2002. The changeover actually occurred in 1999, three years early.

Yet, despite the President's assurances to the contrary, there are those on the other side of the aisle who charge that this tax cut is risky and reckless. Yet history has shown the minority's definition, and the numbers behind it, have shifted dramatically. In 1999, they charged that any tax cut over $250 billion was reckless. During last year's campaign, the Democratic candidate stated that any cut over $500 billion was risky. Now, less than four months later, the minority is willing to cut taxes by $900 billion, far more than the risky tax bill this House passed in the First Session of the 106th Congress.

Finally, it bears mentioning that whenever taxes have been cut, be it marginal rates or capital gains, tax receipts have subsequently grown. This has occurred despite the alarmist predictions of the opponents of tax cut reductions. If history is any guide, tax receipts will increase after this bill becomes law. When tax receipts increase, so does the surplus.

Accordingly, I urge my colleagues to support this tax reduction legislation.

Mr. HINOJOSA. Mr. Speaker, I am here today because I am greatly disturbed by the irresponsibility being displayed by the Republican Leadership in Congress today.

I cannot believe that the rules of Congress and the People have been violated once

again, and now—we are going to vote on a tax cut before we pass a budget.

No family or business would make a decision that would have a major impact on their finances for the next ten years without first sitting down and working out a budget to figure out what they can afford. We owe it to the citizens of America to apply that same common sense principle to the Nation's budget and its security.

I am further outraged that the plan the Republicans have offered gives the lions share, 43 percent, of the peoples surplus to the wealthiest one percent and ignores the majority of the hard working Americans who greatly contributed to the creation of the surplus.

This outright robbery is further perpetuated when one realizes that most Americans will not be impacted by the tax cut, especially not the $25,000 a year waitress that the President speaks of with such conviction.

For this reason, I ask you to pass a measure that utilizes common sense and provides for all American families and American workers. This can only be done by passing the Rangel Amendment, an amendment that takes care of our families and our future.

The Rangel measure that cuts taxes responsibly and for everyone by increasing the earned income tax credit and helping our married families get tax relief.

Let there be no mistake; today we stand at a crossroad with two paths:

The first gives the surplus to the wealth for expanded purchases of luxury items. The second gives Americans the extra funds needed to live a better life. If a decision is to be made today, I hope we make the right one.

Mr, KNOLLENBERG. Mr. Speaker, passing H.R. 3, the Economic Growth and Tax Relief Act of 2001 is simply the right thing to do.

Whenever the federal government collects taxes, it takes money away from hard-working American people. The government isn't entitled to that money. It's the people's money and the government takes it away. We, as Members of Congress, have a responsibility to ensure the government doesn't take away any more than it needs.

Over the next ten years the federal government is expected to run a surplus of approximately five and a half trillion dollars. In other words, the federal government will be taking away from the American people five and a half trillion dollars more than it needs to pay its bills.

This is simply wrong. people need their money to pay their bills, put food on their tables, send their children to college, plan for their retirement, and meet all of the other challenges they face every day.

Under the President's plan, we will send a mere 30 percent of that tax overpayment back to the people who work hard to earn their money. Not the entire tax surplus, just 30 percent of it. And the legislation we're debating today is even less than that—roughly 17 percent.

Mr. Speaker, passing this bill is not only the right thing to do; we have a fundamental responsibility to do it for the people we represent.

This bill will increase fairness in the tax code, allow every American income tax payer to keep more of their own money, and provide support to our economy at a critical time.

I urge all Members to do the right thing tonight and vote in favor of this legislation.

Mr. ALLEN. I rise in opposition to this excessive, unfair Republican tax cut that will block our best opportunity to improve our education and health care systems for years to come.

Abraham Lincoln lifted America's spirits by calling on ''the better angels of our nature.''

President Franklin Roosevelt inspired a nation to set fear aside. President Kennedy and others asked for sacrifices to enhance the common good.

But the rallying cry of the Bush Administration is different: ''It's not the government's money. It's your money.''

What a shriveled up vision of what the American people care about! We are better than that.

This tax cut is a clarion call for more spending on luxury goods by the wealthiest Americans.

Those earning over $300,000 per year can buy a Lexus every year with this tax cut. Those earning about $35,000 would have difficulty getting a muffler.

This tax cut slams the door on spending for the common good.

To those seniors who cannot afford their prescription drugs, this bills says forget it, you're on your own.

To those students, teachers and parents who know that our schools need full funding of special education, this bill says forget it, you're not a high priority.

To the baby boom generation not that far from Medicare and Social Security, this bill says forget any help from general revenues any time soon.

The Democratic alternative is half this size and is fair to middle income Americans.

A tax cut half this size would allow us to put the medicines they need in the hands of our seniors.

A tax cut half this size leaves room to fully fund 40 percent of the special education mandate we imposed on the states.

A tax cut half this size leaves room to shore up Social Security and Medicare instead of privatizing both for the benefit of insurance companies and brokerage firms.

The American people want and deserve lower taxes, but not a cut so large that seniors still cannot afford their drugs, our kids are stuck in inadequate schools, and baby boomers lose confidence in Social Security and Medicare.

I urge my colleagues to reject this bill.

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today in strong support of H.R. 3, the Economic Growth and Tax Relief Act of 2001.

The U.S. economy is currently experiencing a slowdown. In order to fend off a further downturn or recession, it is imperative that Congress act quickly to breath life back into the economy. By reducing income tax brackets retroactively to the beginning of this year, H.R. 3 provides immediate tax relief by decreasing withholding rates. This will result in an infusion of cash into the economy—up to $360 for a married couple in 2001—that our economy urgently needs. Some say that it is reckless to bring a tax relief bill to the floor of this body before we have adopted a budget resolution. I disagree. Rather, I commend Chairman THOMAS for recognizing the fact that undue delay would deaden the positive, restorative effects that lowering marginal rates would bring. Furthermore, this being a bicameral legislature, we must wait for the other body to do their part on this bill. It is even more imperative, then, that we spur them on by doing our work expeditiously. Before a final conference report comes before us, we will have the benefit of a budget resolution. But if we wait for the final budget resolution before we begin the process, the tax cut could lost its stimulative effect on the economy. We have a choice: Either take the necessary steps to return our country to the positive growth, or bring the danger of recession ever closer through indecision and delay.

H.R. 3, is only the first step in bringing tax relief to the American people. There are other areas of the tax code that Congress must fully address—the marriage penalty, the alternative minimum tax, higher savings levels for Individual Retirement Accounts, and the death tax; however, those must wait for a later date. Our focus now must be on keeping the economy healthy, keeping Americans working, keeping small businesses open, and ushering more and more people into the middle class through the prosperity that has blessed this country in recent years. Across-the-board cuts affect withholding rates now and give an immediate stimulus to the economy.

Finally, reducing marginal tax rates is an issue of fairness. I believe that is simply wrong that the government currently takes away up to 40 percent of an individual's income—and much more when other taxes are taken into account. We must encourage enterprise. We must encourage savings. Our policies must reflect the oft-touted belief in the American Dream that through hard work and sacrifice one might build a better life—not become the object of higher government tolls and the subject of vilification merely because of success. I have heard from many of my constituents who would be positively affected by the relief this bill would bring. They are not the ''idle rich.'' They are individuals and couples who have mortgages to pay. They are parents trying to pay for their children's educations. They are making car payments. They are the people who tirelessly serve our federal government. They are the entrepreneurs whose small businesses are at the core of the high-tech revolution that has fueled our economy's growth over the past several years. I can assure you that they do not live lives of ease as has so often been portrayed by opponents of this plan. They deserve to get a small portion of the money that they have overpaid to the government back. It was their hard work and sacrifice that rescued the government from the massive debt it had accumulated over years of bloated excess. Now that they need a helping hand, we must not abandon them. I urge my colleagues to support this bill.

Ms. PELOSI. Mr. Speaker, as a Member of the Appropriations Committee, I am particularly concerned about the impact of the Bush tax cut on the overall federal budget. We must not sacrifice investments in education, infrastructure and health, which make our economy stronger, in order to provide excessive tax cuts.

In 1981, President Reagan passed a major tax cut, increased defense spending drastically, and supported cuts in investments in the American people. His policy marked the beginning of the worst economic downturn since the Great Depression and quadrupled the national debt.

Over the last eight years, the Clinton Administration has eliminated the budget deficit but we still have a $3.5 trillion national debt. Interest payments on the debt alone cost the United States more than $200 billion a year. A lower national debt means lower interest rates, lower mortgage payments, lower car payments, lower credit card payments, and more jobs. Paying down the national debt will put the U.S. government in the best possible position to meet the Social Security and Medicare needs of future generations, when the retirement of the ''Baby Boom'' generation places a significant strain on the federal budget.

Nearly $3 trillion of the $5.6 trillion projected surplus is supposed to be dedicated to Social Security and Medicare. Are the Republicans going to take those funds from seniors to pay for their tax cut? Increased debt service, farm payments, extending expiring tax credits, and emergency defense and non-defense spending will also need to be accounted for in a responsible budget.

Unfortunately, the Republican majority has jammed this tax cut through before we even have a budget resolution. Therefore, we are forced to have this debate without any budgetary framework. However, we do know that of the nearly $2 trillion of the surplus that remains after we protect Social Security and Medicare, funding a tax cut must compete with providing a prescription drug benefit for seniors and the modernization of our schools, two of the top priorities of the American people. Do we want to underwrite an unaffordable tax cut at the expense of our children's education and our seniors' and veterans' health?

I urge my colleagues to oppose the Bush tax rate plan.

Mr. COSTELLO. Mr. Speaker, I rise in opposition to the $1.6 trillion tax cut package proposed by President Bush as well as the Democratic substitute that will be voted upon today with the Bush tax cut plan.

I believe that the Congress can and should pass legislation giving tax relief to the American people. That is why last year I voted to eliminate the death-inheritance tax and the marriage penalty. Unfortunately, President Clinton vetoed both bills. However, when these bills come back before the Congress in this session, I will vote to again eliminate the inheritance tax and the marriage tax penalty.

The Congress can and should give tax relief to the American people after President Bush lays out his spending plan to the Congress and the American people and after we put a mechanism in place to adjust the plan if revenue projections prove to be wrong.

Most of us remember the 1981 tax cut proposed by President Ronald Reagan and approved by the Congress cutting taxes for the American people with the promise that the tax cut would help the economy and balance the federal budget within three years. Then candidate George Herbert Walker Bush called the Reagan plan voodoo economics. Republican Senator Howard Baker called the Reagan plan a river boat gamble. Unfortunately for the American people, George Herbert Walker Bush and Senator Baker were right.

In fact, taxes were cut but spending continued to increase and the American people saw two decades of huge budget deficits and saw the national debt explode to $5.7 trillion. President Reagan and the Congress were successful in cutting taxes but not holding down spending.

Last week, former Chairman of the House Ways and means Committee Republican Bill Archer said that if anyone believes that we will have a surplus eight or ten years from now with this tax cut plan is ''hallucinating''. Others have questioned the ability of this President and this Congress to control spending. They fear a repeat of the Reagan years with taxes being cut and spending continuing to increase resulting in a return to the days of huge deficits that will hurt interest rates and the economy.

Today I intend to vote against the Bush tax cut plan as well as the Democratic substitute. I believe that we should force the President to lay out his spending plan so that we can see how the President intends to fund critical programs important to the American people like Social Security, Medicare/Medicaid, national defense and other important programs. After the President lays out his budget to the Congress and the American people then we should bring a tax relief package before the Congress that is realistic and that has a mechanism that directly ties tax cuts to controlled spending and the amount of revenue that will come to the federal treasury each year.

Mr. Speaker, today we should reject both the Bush tax plan and the Democratic substitute and come back to pass a bill that gives tax relief to the American people later this spring after the President lays out his detailed budget to the American people.

Ms. SOLIS. Mr. Speaker, I rise today in adamant opposition of H.R. 3, the Economic Growth and Tax Relief Act which was proposed by President Bush.

In the past few months, the Bush Administration has desperately tried to convince the American public that their planned tax cuts are fair, that their tax cuts rightfully return money to those who have paid the most, that their tax cuts will help spur our economy.

Evidently, the Bush Administration's attempts have failed. In a Los Angeles Times poll released today, the majority of Americans support the alternative Democratic tax bill—and for good reason. The public is not gullible. No matter how you skew the numbers, no one can deny that the richest Americans stand to gain the most from this plan, while virtually no money will be returned to the working poor.

In addition, the public understands that our projected budget surplus is not stable; we need to pay down our deficit and not repeat the disastrous tax policies of the 1980's which plunged us further into debt. President Bush wants us to risk slashing funds for Social Security, housing, health care, environmental protection and a slew of other vital programs for the sake of making the rich even richer. How can these cuts possibly better our society?

Under President Bush's proposal, the richest one percent of the U.S. population will receive more in tax cuts than the bottom 80 percent of the population combined. This high-income group pays 20% of all federal taxes, yet they would receive at least 36% of the tax cuts under the Bush plan. That means that the amount in tax cuts that these individuals would get back would be nearly double the share of federal taxes that they pay.

On the other hand, the bottom 40 percent of tax filers, a group that makes up a significant population in my district, will only get four percent in tax cuts—an average of about $115. Moreover, 12 million low and moderate income families will get absolutely nothing in return—that is almost one-third of all families in the United States and includes 24 million children.

Among African-American and Hispanic children, the percentage rises to over 50% who will not see one penny of the Bush tax cut. Even the much hyped increase in the child tax credit from $500 to $1,000 would not assist those who need it the most. How can President Bush justify increasing the income required for families to qualify for this child tax credit to $200,000, rather than expanding the Earned Income Tax Credit for those struggling families who can barely feed their children?

This tax plan grossly neglects the needs of honest, hard working citizens whose toil and sweat are the source of America's greatness. Where is the support for the seniors and veterans of my district who helped create the surplus that we are squandering today? This plan proposes an estate and gift tax repeal—a tax which, according to some figures, would go to only the top 5% of the country's population! Yet, our seniors and veterans, who dedicated their youth to the growth of our nation's wealth and security, will receive no specific tax cut whatsoever. They will have to be content with insufficient assistance from federal programs that are in danger of being cut due to President Bush's exorbitant tax reductions.

The bottom line is that the Republican tax plan is bad policy. President Bush's proposal does nothing but deplete our hard earned surplus for the benefit of those who need it the least. I vehemently urge my colleagues to act responsibly and block this disastrous measure from becoming law.

Mr. OTTER. Mr. Speaker, I rise today to voice my strong support for H.R. 3, the ''Economic Growth and Tax Relief Act of 2001.'' This bill will ease the terrible yoke of federal taxation that is crushing the people of Idaho and the rest of the United States. I am proud of President Bush for proposing this bill, proud of our House leadership for bringing it to the floor so quickly, and proud to say that I will vote for it.

This bill takes the common sense view that taxpayers deserve their money. The people of Idaho can better prioritize what to do with their hard earned money than bureaucrats in Washington, D.C. Passing this bill says that we trust the people in the states. We trust hardworking people. They are smart enough to make the money. Aren't they smart enough to spend it?

By reducing the number of tax rates and the rate of taxation this bill will lower our record high tax burden. Right now America pays more of its GDP in taxes than it ever has in peacetime. Currently Americans are paying Uncle Sam more in taxes than they spend on

food, clothing, housing, and energy costs combined. This legislation provides a fair, needed refund of tax overpayments to all Americans. It is a great first step.

It is a first step, but not the only step. Farmers and small businessmen in my state are looking forward to repealing the estate tax. Without estate tax repeal the money we return to the American people today will only be stolen from their heirs. Our farmers and small businessmen are already suffering from drought, electricity shortages and record low commodity prices. The least we can do is say ''If you are successful, your children can inherit what you worked for.''

The people of Idaho are waiting for us to pass lower, fairer taxes to help them in their time of need. The people of America are waiting for us to pass lower, fairer taxes to get the economy moving again. Let's vote for the Economic Growth and Tax Relief Act and give the people what they want.

Ms. KILPATRICK. Mr. Speaker, today I rise in strong opposition to the tax proposal submitted by President Bush. I do so for many reasons, none of which are founded on the ''myth'' so blatantly pushed by the President, that the Democrats are engaged in class warfare.

We are not here to engage in warfare between the rich and the not-so-rich. We are here today to preserve those things which most of us here in Congress have fought so hard to promote over the course of the past 8 years. We are here to maintain the fiscal discipline that has given us unprecedented prosperity in good times. We are here to maintain the fiscal discipline necessary to insure that in uncertain times, the nation does not slip into recession.

Today we should be mindful of the state of the nation back in 1992. Just a little more than 8 years ago we saw an economy that was faltering. Unemployment peaked at nearly 7%, as layoffs spread throughout the land. Consumer confidence was low. In the political arena fingers were pointed in all directions. President George H.W. Bush's administration blamed the voodoo economics of the previous Reagan era. Democrats agreed. The Republican faithful argued that the excesses of the Democrat Congress resulted in the sharp economic downturn.

In this context, former President Bush chose to do what he believed was the responsible thing. He chose to raise taxes—and he suffered the consequences. He suffered the scorn of his political opponents, but more importantly, he suffered the scorn of the majority of the Republican establishment. Although he was trying to do the responsible thing and mitigate the increasing federal deficit, he violated the cardinal rule for which Republicans claim to stand. He violated that often repeated Republican refrain, that ''God created Republicans to cut taxes''—not increase them.

Well today we stand before the American people because President George W. Bush faces a choice similar to the one his father made: whether to do the responsible thing, or to do what history has so vividly illustrated is the wrong thing to do. I am sure his father's experience resonated prominently in his decision to forward this tax proposal we consider today. His father made a tough choice to increase taxes. Former President Bush chose to counter the policies of his predecessor, Ronald Reagan, whose history I am sure also resonates prominently in President Bush's decisions today.

After all, President Reagan drastically cut taxes during the 1980's and he is revered by the Republican establishment. Republicans loved his execution of Republican ideals and credit him with the restoration of hope and optimism to the American people. Most importantly, however, in the Reagan lesson, is the fact that he was reelected for a second term.

Today, I stand here to remind the American people of the cost of Mr. Reagan's policies. I come from the city of Detroit. I represent a population that was devastated in many ways by the policies of the Reagan administration. I watched as services critical to my city's youth were cut. No longer were funds made available for successful after school programs. Budgets for parks and recreation stagnated, leaving few alternatives for youth activity. The loss of these benefits soon led to the feelings of despair and desperation. Drugs plagued the inner city and the introduction of crack cocaine into our neighborhoods devastated the community. Today the City of Detroit is still digging out from the plague of crack-cocaine in the 1980s.

I point this out to say there are consequences to this tax-proposal—both in economic, and most importantly, in human terms. Sure I am for a tax cut. I am not, however, for irresponsibility.

I ask the American People to reflect on what we consider here today. Today, there are projected surpluses of approximately $5.6 trillion. Of this amount, $2.5 trillion in attributable to the Social Security Trust Fund and $.4 trillion or $400 billion is attributable to the Medicare Trust Fund, leaving the Non-Social Security, Non-Medicare Surplus at $2.7 trillion.

President Bush has proposed a tax-cut across all income brackets. The cost of which is $1 trillion dollars not including other tax proposals he plans to introduce. If we include these other proposals, the tax cut could cost anywhere from $1.6 trillion to upwards of $2 trillion.

Additionally, the Joint Committee on Taxation, a bipartisan committee on taxation, recently released estimates that show that the true cost of President Bush's Proposal exceeds the cost listed in the Administration's Budget. Their study also shows that the cost of remedying the problems associated with the Alternative Minimum Tax would increase to $300 billion over 10 years under the Bush proposal. This would raise the cost of the Bush tax cuts to nearly $2.5 trillion over the next ten years. This would mean that only $200 billion dollars of the surplus would remain for other national priorities.

In order to put this in perspective, I would like to point out that the cost of the proposed national missile defense system is estimated to be nearly $30.2 billion. Improving the lives of our military personnel is estimated to cost nearly $100 billion. We do not know the cost of privatizing a portion of Social Security, or other increases in spending promised by President Bush during the campaign. And even after we address these concerns this bill does not even consider the cost of reforming Medicare, the cost of a prescription drug benefit (estimated at nearly $200 billion) or the cost of addressing this nation's education needs.

I would also like the American people to ask themselves a question. Would you in your own personal finances write checks based on money that you did not have in your account? I would bet that most Americans would never be so careless with their expenses and the expenses of their families. So how can we today afford to be so careless with surpluses that are not yet in treasury accounts?

Nor would you spend money for a vacation, or new car, without looking at how such an expenditure would affect the rest of your budget. You would not go out and buy a car knowing that the payment may prevent you from being able to pay your rent or mortgage. Yet here, we will not have the opportunity to debate the full budget in Congress prior to voting on this tax bill. Forget about the fact that by law (the Congressional Budget Act) Congress must pass a budget before it passes tax breaks.

We were told that the President's priority was education. You would think that as a body, we would consider education legislation first. Today we see the true priorities of the administration and the leadership of this Congress. President Bush and the Republican leadership tell the American people that they care about education, yet they are willing to pass a tax cut that may jeopardize that very priority. Don't be surprised if we later learn that in order to accommodate today's tax cut, we must make sacrifices in education and other national priorities.

I do not stand here today to criticize without offering a credible alternative. Moreover, I would like the public to know that there are a number of alternative proposals from both Democrats and Republicans. However the leadership, through the rules committee, has limited the consideration of many of these proposals—this all in the so called spirit of transparency and bipartisanship.

Do not be led to believe that Democrats do not believe in tax relief. There is an alternative Democrat tax-cut proposal. The Democrat proposal is a simple budget plan that directs ⅓ of the Non Medicare, Non-Social Security surplus towards a tax cut, ⅓ toward our national priorities like education and a prescription drug benefit and ⅓ of the surplus to paying down the national debt. This tax cut is responsible in its scope and addresses the other priorities expressed by the American people. More importantly, the Democratic alternative would provide tax relief where tax relief is needed most—to the working families of this country.

Ms. BALDWIN. Mr. Speaker, I rise today in strong opposition to H.R. 3, the Economic Growth and Tax Relief Act. This $958 billion tax cut, which is part of a larger $1.6 trillion tax cut package, does not focus relief on those who need our help the most.

I support responsible tax cuts for working families, which is why I am voting for the substitute being offered on the floor today. The substitute offers marriage penalty tax relief, and provides larger refunds to low and middle-income families with children.

Two weeks ago I held listening sessions across the Second District of Wisconsin. I heard from many who are struggling to pay

their bills. Some showed me their prescription drug receipts as evidence for the increasing costs they must pay. Others told me about the tremendous increases in their home heating bills, which have jumped dramatically due to the recent increases in the price of natural gas and other energy sources.

Many of the families I heard from during my listening tour do not make enough money to benefit substantially from this tax cut plan. Some have incomes so low they do not owe federal income taxes. Those families would receive nothing from the tax cut proposed in H.R. 3. Other middle income families will receive very small tax cuts that pale in comparison to their increased expenses.

In addition to the fact that many middle and lower income families would not benefit substantially from this legislation, the magnitude of this tax cut would limit resources that could go to programs to address their very real needs. I believe a tax cut this large puts at jeopardy the funds needed to add a Medicare prescription drug benefit. This means that the seniors I represent will not see adequate relief in addressing their health care needs. If this tax cut is passed, the Low Income Heating and Energy Assistance Program (LIHEAP) could face a freeze on its level of funding, or even worse, a cut. This would be devastating for people with low incomes in my district who are confronting enormous heating bills during this frigid Wisconsin winter.

Today's tax-cut legislation does not address the needs of families struggling to pay their increasing bills every month. Those who genuinely need relief will not receive the real fruits of this legislation. We must place a higher priority on a tax cut that provides relief to those who need it most. We must pass a responsible tax cut that does not jeopardize the fiscal health of this nation.

Mr. STARK. Mr. Speaker, I vehemently oppose President Bush's tax cut plan and encourage my colleagues to do the same.

I did not support the bill in the Ways and Means Committee markup because the House has not adopted a budget; the tax cut is one piece of a larger tax plan that imperils Social Security and Medicare; the bill leaves no room for more deserving priorities like a Medicare prescription drug benefit for seniors and better education for our children; and it provides far greater tax breaks to wealthy Americans—like members of Congress—than it does to the vast majority of working families.

A prudent family who has just experienced an increase in their annual salary would not run out to buy a yacht before they figure out how much debt they have on their credit cards, whether or not they're saving enough for the kids' college education, and if their retirement savings plan is in order. Likewise, Congress is acting irresponsibly by not setting spending priorities before blowing all our forecasted resources on a massive—not requested—tax cut.

President Bush did not send Congress a budget proposal. He sent Congress a blueprint for disaster dressed up in partisan rhetoric. The Bush ''budget'' is merely the rationale for a bloated tax cut. There are also some $20 billion in domestic spending cuts for next year alone that the President has yet to detail in his budget. These cuts could result in fewer cops on the street, less relief for over-crowded schools, less research and development for alternative energy, and reductions in federal emergency assistance.

Nor, does the President take into account all of the obligations that Congress is required to calculate when we devise a real budget. Congress is forced to account for an increase in population and therefore an increase in spending programs. Congress must account for additional interest on the debt when the debt isn't paid down and instead spent on a $2.5 trillion tax cut. Congress must account for the annual tax extenders that are renewed every single year. However, this Administration seems to think itself immune from taking into account these real costs to the federal government. This Congress isn't remotely ready to debate—much less vote on—a nearly $1 trillion tax cut which is only the smaller portion of an eventual $2.5 trillion tax cut.

President Bush is attempting to persuade the American public that his number one priority is education and that he also wants to protect Medicare and provide a new prescription drug benefit in the program. This is a blatant attempt to mislead America's seniors and parents alike.

The $2.4 billion in education spending increases pales in comparison to the $2.6 trillion cut the President plans to give primarily to the wealthiest Americans. The Administration's budget blueprint calls for a 12% increase in education spending. But once again, this figure is completely misleading. Bush calculates $2.1 billion in funds that Congress already provided for 2002 appropriations and already designated for specific education programs. You can't truthfully count these funds twice.

Likewise, the President is double-counting on Medicare and Social Security. His rhetoric states that he's protecting the Medicare and Social Security trust funds. In fact, his budget raids both trust funds—that Congress has consistently voted to put into a ''lock box'' to be used only to extend the solvency of Medicare and Social Security—as a resource to fund the wrong-headed priorities of his budget.

Because of the overwhelming size of the tax cut he's proposing, he also fails to provide the necessary resources to create a Medicare prescription drug benefit. Make no bones about it—the funds don't exist in President Bush's budget to provide seniors with an adequate and affordable Medicare prescription drug benefit. And, his use of the Trust Fund to finance other parts of his budget could imperil the program's future.

Finally, the President attempts to sell his tax package to the American people by advertising it as an economic stimulus. The problem with this misleading advertisement is that the entire tax plan isn't fully phased in until 2006. Most economists agree that most of the tax relief that has been promised by the President won't take effect until the economy has recovered.

I want my constituents to know the real substance of what I am about to vote on. This rate reduction tax bill is a small part of a larger problem. There is no real budget in place that spells out the realities of our spending priorities. The bill before us today sets up the federal government for increasing deficits. The tax benefits of this bill—which are wrongly directed to disproportionately assist the wealthy—arrive too late to provide any real stimulus for the economy. This will then force Congress to make drastic cuts to the programs that low and middle-income workers rely on like Medicare, Social Security and quality public education. It is unfair to leave our children with the burden of our federal debt so that the GOP can give away trillions of dollars to America's wealthiest taxpayers. I urge my colleagues to vote no on H.R. 3.

Mrs. CHRISTENSEN. Mr. Speaker, I rise in strong opposition to the Bush Tax cut plan and in support of the Rangel Democratic Substitute because H.R. 3 is misguided and just plain wrong. The Democratic proposal, however, would provide immediate and fair tax relief, while not threatening the surplus that so many of us worked hard to make possible.

Instead of following the law which requires that a budget be passed before tax cuts, the Republican Leadership has decided to ignore the law and rush to the floor a tax cut proposal which if it is adopted, will preclude us addressing some of the critical needs of the people of this country.

By the President's own admission, this tax cut is designed to make sure there is no money for spending; meaning they would take this unprecedented surplus and unique opportunity to secure our future and do good for those who need it most, and give it away to those who need it least.

Regardless of what my friends on the other side of the aisle say, Mr. Speaker, independent organizations report that an estimated 12.2 million low and moderate income families with children—31.5 percent of all families with children—the majority of them headed by hard working adults, would not receive any tax reduction at all.

That means primarily African Americans and other people of color. We won't benefit from the tax cut, that is clear. But what is the President talking about when he says he wants to cut government spending?

Today, with the sure passage of the Bush tax cut, the House begins the first step in dismantling all of our hard work and the progress that we have made in education, health care, housing, economic opportunity and the many other needs of our constituents.

He is in essence, talking about leaving many Americans, especially Black and Hispanic behind.

He is talking about inadequate spending for education, the issue Americans care about most. But others will talk about that.

He is talking about closing the doors of economic opportunity. For example, he proposes no New Markets initiative, a program that would be the first ever by SBA to actually provide the venture capital needed in our communities so that our constituents can open a business, create jobs, and pull our communities out of economic distress.

The Bush tax cut will also mean that 45 million Americans will continue to be without health insurance, and that HMO's will continue to make profits by denying care. It also means that over 25 million seniors will still be denied prescription drug coverage, and that Americans living in the territories and others living in the states will be denied access to health care because Medicaid will be cut so that those

who are in the top 10% of incomes in this country can get more.

Mr. Speaker, we applaud the almost $3 billion increase for research, but African Americans, Latino Americans, native Americans, and Asian and Pacific Islanders need health care now.

I need not remind you, my colleagues, that health care is a right not a privilege—not for some, but for all.

We have the resources today to right many of the negative commissions and omissions of the past. On behalf of the people of this country, we must insist that President Bush and the leadership of this Congress not to squander our wealth, but invest it in the people of this nation instead.

Today portends not to be America's finest hour. But there is still an opportunity to help her live up to her legacy by passing the Democratic Substitute.

Under the Democratic Substitute, a new 12% tax bracket would be created, giving an across the board rate cut for all Americans and overwhelmingly benefit middle income taxpayers. Additionally, and most importantly, the Democratic alternative will give those working families who only pay payroll and federal excise taxes a refund through expansion of the Earned Income Tax Credit.

Finally, the Democratic alternative would provide families with children who earn less than $65,000 within most cases larger tax breaks than under the Bush proposal.

My colleagues we must tell the President and the Congress: ''No tax cut until our Seniors are secure, our children have access to a quality public school education, and until everyone—everyone—has access to quality health care.''

Mr. BALLENGER. Mr. Speaker, President George W. Bush and the Republican Congress understand that we can achieve our budget objectives while providing this long overdue tax relief—while, simultaneously, protecting Social Security, Medicare and retiring the public debt. My constituents share this vision, and have written the following to me in support of our efforts:

''The bottom line is, we are a low to moderate income working class family with a college age daughter. We pay huge amounts of income tax in comparison to our net worth and earnings, and we do not qualify for any assistance. $1,600 is a lot of money to us. Let us keep more.''

''Two of our children are in college while the other two are still at home. My husband and I both work. I prepare the payroll at my job and see how much is withheld from every paycheck. The American people already pay too much in taxes.''

''We are not in the top half or the bottom—we are caught in the middle. We get no extra help, nor do we want any, but we pay one-third of our income in taxes. Please help.''

''Please remember Mr. Ballenger, it's our money.''

''As a mother of three, I feel this package would greatly help our family and allow my husband and myself to better provide for our children.''

''As a Navy retiree and the father of two school age children, I would greatly benefit from this refund of my 'overpayment' of taxes.''

''It really does not matter to me if Bill Gates gets a big enough tax refund to buy himself a whole fleet of Lexus cars, my only concern is what I'm going to do with my tax refund.''

''Please hold the Democrats accountable for their distortions about the Reagan-era tax cuts—remind them of the late 70's under a Democrat president and the inflation of that time.''

My colleagues, let's vote for H.R. 3, the first installment in our tax relief agenda.

Mr. STUPAK. Mr. Speaker, unfortunately I am not able to vote on this issue because of a prior family commitment. With all that has happened to my family in the past nine months, this was a commitment I vowed to keep!

In our current times of economic surplus, and in light of Federal Reserve Chairman Greenspan's recent statements, I am in favor of tax cuts and believe that we need to use this opportunity to return money to hard-working Americans. Furthermore, with some signs of an economic slowdown, I hope that we can examine ways that a tax cut can act quickly to boost the economy. However, I cannot support President Bush's tax cut plan; it is simply too expensive and too speculative, will jeopardize vital programs such as Social Security and Medicare and will prevent us from taking aggressive action to reduce our nation's outstanding debt.

President Bush's $1.6 trillion tax cut package will actually cost more than $2 trillion when other hidden costs are taken into account, such as the costs of making it retroactive and additional interest costs of the national debt. This is simply too expensive. It leaves no room to ensure the future solvency of Social Security and Medicare, to reduce the debt and to account for future budgetary needs, such as our children's education or a prescription drug benefit for our nation's seniors.

I believe we must plan responsibly. Our first priorities must be to use the surpluses to protect Social Security and Medicare and pay down our national debt. In addition, we must leave room for the budgetary needs that inevitably occur, be they unforeseen needs for emergency relief, or because of an increase contained in the budget that President Bush has indicated he will propose. It is important to note that while Republicans in the House are rushing to vote on this issue, the Senate has indicated that it will hold off on any tax cut votes until the President's full budget is set forth. As any business or family would do, Congress needs to know its budget before determining how much it can afford to spend on a tax cut. The President has not yet offered Congress a complete budget to review. When he does so, we can rationally study this issue.

Furthermore, the current projected surplus is just that, a projection, and we cannot recklessly spend it, even with the best intentions. I would not plan my own family's budget that way, and I will certainly not invest the nation's future that way. As Chairman Greenspan said, ''We need to resist those policies that could readily resurrect the deficits of the past and the fiscal imbalances that followed in their wake.''

With responsible planning, I believe that we can promote the priorities of paying down the national debt, protecting our seniors' retirement and health security, and enacting tax cuts. I want to work in a bi-partisan manner with the president and members of both parties on Capitol Hill to pass a sensible budget that includes tax relief for America's working families. Unfortunately, this is not the approach being taken by the President and the Republican leadership; therefore, I oppose this package.

Mr. BEREUTER. Mr. Speaker, this Member rises today in support of H.R. 3, the Economic Growth and Tax Relief Act of 2001, a bold and fair tax relief plan that will reduce the inequities of the current tax code and help ensure that America remains prosperous. This measure will reduce taxes for everyone who pays income taxes, and it will encourage enterprise by lowering marginal tax rates.

This Member would also like to thank the gentleman from California (Representative BILL THOMAS) the Chairman of the Ways and Means Committee for his efforts in bringing H.R. 3 to the House Floor as it provides tax relief to all hardworking taxpayers. However, this Member must lament the fact that, in what appears to be a partisan decision, none of the Minority Members of the Committee were willing to support refunding these surplus tax dollars back to the people who paid the taxes—our constituents.

This Member strongly believes that some considerable portions of the Federal budget surplus should be returned to the American taxpayer, especially to middle income Americans. And, this Member also believes it is symbolically and financially important to use part of the surplus to at least make significant reductions in the national debt. Therefore, this Member is pleased to support the President's common sense plan that funds our nation's top priorities, pays down our national debt and gives tax relief to every taxpayer. Overcharged taxpayers deserve some of their own money back. It is interesting to note that in the first four months of fiscal year 2001, the surplus generated $74 billion. Clearly, the American people are being taxed too much.

In fact, Federal taxes are at the highest peacetime rate in history. Americans currently pay more in taxes than they spend on food, clothing and housing combined. This year, it will take most Americans more than four months of paychecks to pay their tax burden.

This Member is supportive of this tax cut because George W. Bush is President and we have a Republican Congress to check truly excessive levels of Federal spending. The legislation will help strengthen our economy, create jobs, and put money back in the pockets of those who earned it and need it most.

The measure provides immediate tax relief by reducing the current 15 percent tax rate on the first $12,000 of taxable income for couples ($6,000 for singles). A new 12 percent rate would apply retroactively to the beginning of 2001 and also for 2002. The rate would be reduced even further to 10 percent as follows; 11 percent in 2003 through 2005 and 10 percent in 2006. The reduction in the 15 percent bracket alone provides a tax reduction of up to $360 for couples in 2001 ($180 for singles), increasing to as much as $600 for couples in 2006 ($300 for singles).

Furthermore, in accordance with President Bush's income tax rate reductions, H.R. 3 reduces other income tax rates and consolidates rate brackets. By 2006, the present-law structure of five income tax rates (15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent) would be reduced to four rates of 10 percent, 15 percent, 25 percent and 33 percent. No American will pay over one-third of his or her income in income taxes.

This Member supports the reduction in the tax rates provided in H.R. 3 because the bill reduces taxes for all Americans who pay income taxes, spurs economic and job growth for all Americans and provides an average of $1,600 in tax relief for the average American family (family of four) phased-in over a 5-year period. The $1,600 amount represents the average mortgage payment for almost two months, one year's tuition cost at most community colleges, and the average gasoline costs for two cars for one year.

The legislation will also begin to address the growing problem of the alternative minimum tax by repealing the current-law provisions that offset the refundable child credit and the earned income credit by the amount of the alternative minimum tax. In addition, it should be remembered that this is only the first element of the Bush tax plan—additional tax relief is in sight for married couples and others that will benefit from more targeted tax cuts.

According to the non-partisan Joint Committee on Taxation, savings to taxpayers over ten years would be $958 billion under the provisions of H.R. 3.

In closing, Mr. Speaker, this Member would like to express his appreciation to our President, George W. Bush, for his willingness to steadfastly ''demand a refund'' for the American taxpayer. This Member urges his colleagues to support H.R. 3 as an important step toward tax relief for all Americans.

Mr. COYNE. Mr. Speaker, I rise in opposition to this legislation. I oppose this bill because it is irresponsibly large. I also oppose this legislation because it does not provide enough of its tax relief to working- and middle-class households. And I oppose it because we shouldn't pass a major tax bill before we pass a budget.

In my opinion, Congress shouldn't pass a major tax cut until we see how it affects the rest of the Federal budget. We received an outline of the President's budget plan only last week, but even this outline has caused me great concern. This document raised as many questions as it answered.

Normally, Congress doesn't take up a tax bill until after it has passed its annual budget resolution. The whole point of the process laid out under the Budget Act of 1974 was to avoid making decisions about major tax and spending proposals piecemeal—but, rather, to make major decisions about taxes and spending as part of the annual budget process. I strongly believe that abandoning this process is a recipe for disaster. It could well undermine future efforts to address pressing national problems like paying down the national debt, keeping Social Security solvent, creating a Medicare prescription drug benefit, improving education, fighting crime, and preserving our environment.

I am concerned that if we pass the tax cuts that the President is proposing, we might not have enough money left to pay down the national debt, keep Social Security and Medicare solvent, and pay for important Federal priorities like education and health care—especially because the surpluses that he is counting on to pay for his tax cut don't exist. They are only estimates that may or may not materialize over the next 10 years.

However, I understand that the Majority in the House will approve this bill later today. Consequently, I will do what I can to limit the damage that I believe that this bill would do. I will support the Democratic substitute, which would lose less revenue than the mark—and which would result in more of the tax relief provided by the bill to low-income taxpayers, the people who need help the most. The Democratic alternative reduces the lowest tax bracket from 15 percent to 12 percent. It also contains $60 billion in Alternative Minimum Tax relief and contains $60 billion in tax relief for American working families through expansion of the earned income tax credit.

To those of my colleagues who argue that the earned income tax credit is too vulnerable to error, fraud, and abuse, I would only observe that it is remarkable that they have not expressed the same concern about the much higher error, fraud, and abuse rate for small businesses and sole proprietorships—which has been reliably estimated at 40 percent. That apparent inconsistency suggests to me that the disagreement over expanding the EITC really is a disagreement over who needs tax relief the most—and that is a debate I feel confident about winning.

To sum up, Mr. Speaker, I don't think that we should be considering this bill today. We shouldn't mark up major tax legislation until after we finish work on the budget resolution. But since the majority intends to ram this bill through the House this afternoon, I will do what I can to ensure that most of the tax relief this provides will go to the hard-pressed middle-class families that Governor Bush talked so much about during the recent Presidential campaign.

I urge my colleagues to support the Democratic substitute.

Mr. CROWLEY. Mr. Speaker, I rise in strong opposition to the Bush Republican tax cut. I oppose this misguided plan to provide tax cuts to a select few while leaving working New Yorkers holding the bag.

Though, unlike the rhetoric you have heard on the other side of the aisle—Democrats, like myself, support cutting taxes—they are too high and stifling.

I am a strong believer in tax cuts—as a married man with two infants at home, I personally know how devastating the marriage penalty tax is—and I have voted in the past to eliminate this onerous tax.

I have worked with my colleagues in both parties to eliminate the regressive tax on talking that levies a tax on every phone call you make.

And as the representative of a middle and working class district comprised of a diverse swath of neighborhoods in Queens and the Bronx, NY, I know how punitive the estate tax is on the Mom and Pop enterprises that dot my district.

Estate taxes are too high and they must come down.

I spoke out just yesterday in the Committee on Financial Services for legislation that would lower the tax burden on the investing public via taxes levied on individuals' 401(k) plans, mutual funds and retirement accounts.

So for people to claim that I, or the majority of my colleagues, are opposed to any form of tax relief is ludicrous and out right wrong. I am for tax cuts—but responsible tax cuts.

In 1993, without one single Republican vote, Congress passed an austere plan for cutting spending, raising taxes on a targeted few wealthy individuals and injecting real fiscal discipline into our economy.

The other side cried that this bill would be the death knell of the American economy—but the facts bear them wrong, again. In fact, our nation then began to see annual budget surpluses instead of deficits, deficits created mostly by fiscal irresponsibility of the Reagan and Bush White Houses.

Now, thanks to the fiscal discipline of the Democratic Party, we are in a situation where we have experienced several years of back to back annual budget surpluses with more surpluses predicted into the future.

I am proud to prove the pundits wrong and stand before you today and say the Democrats are the party of fiscal responsibility while the Republican majority has become the party of fiscal irresponsibility.

We have seen a decade of incredible economic growth and expansion. The virtual elimination of inflation and the smallest interest rates in a generation.

Unemployment went from 8 percent under the last President Bush in 1992, down to 7 percent, then 6 percent, then 5 percent and then 4 percent and then a historically low 3.9 percent—unheard of.

All the while, real incomes rose—again, something not seen during the Reagan and Bush Administrations. Home ownership skyrocketed and consumer confidence was sky-high. but Americans didn't just spend, they invested, and the stock market exploded.

Coincidence—I think not. It was a careful economic plan worked on by the Democrats in Congress—the Republicans continually refused to work with us—and the White House as well as the Federal Reserve Bank.

Democrats cut spending and erased the deficit—all the while the percentage of income sent to the Federal government in the form of income taxes continued to decline. Now, we want to throw the gains of the most prosperous decade in American history out the door to pass a backward tax cut plan that will primarily benefit the wealthy.

Even President Bush himself says a large share of the tax cut benefits will go to the rich—finally something we can all agree on.

We are basing economic forecasts for the next 10 years on data that is as reliable as weather reports. A year ago, the Government estimated our Nation's 10-year surpluses at a little over three trillion dollars—now they ''revised'' it to over $5 trillion—Guess they forgot to carry a one. Or, instead of being a mathematical goof, these 10 year projections are very flawed. Everyone from Alan Greenspan to the CBO agrees on this point.

No family could budget itself like this, no company would dare give away bonuses based for the next 10 years under the guise of favorable 10-year projections.

But that's the way the Republicans like to think when it comes to our future—they are gambling with Social Security and Medicare. This Bush Republican plan represents fiscal irresponsibility at its worst.

In fact, the President and the Republican Congress refuse to even consider an idea of providing triggers in their tax plan in case these projected surpluses do not happen. Triggers on these tax cuts are the only sensible option to prevent us from returning to the staggering Reagan-Bush deficits of the near past.

But instead, the Republicans want the go-go parties of the 1980's to continue whereby we spend all of our children's inheritance and leave them with the bill—that stinks both economically and morally, and that is why I oppose this foolish and reckless tax cut.

Congress and the President should work together, with guidance from the Fed, to address our Nation's fiscal concerns. I believe the economic priorities of the last Administration and of the Democrats in Congress are the right ones.

The expected Federal surplus is the people's money—it is not the government's money. Therefore, these funds should be used to benefit the people.

That is why I support a budget strategy commonly referred to as ⅓, ⅓, ⅓—where our country would use ⅓ of the surplus for tax cuts; ⅓ for debt reduction; and ⅓ for increased spending.

I believe one-third of our surplus should be returned to the American people in the form of a tax cut. Not one like the President supports which would reward almost $1 trillion of his $2 trillion plan to the richest one percent of Americans—but a fair tax plan.

I support and have voted for the elimination of the marriage penalty—something that will not occur even if Congress passed the President's plan exactly as written. Using just one-third of our surplus will allow for the elimination of this onerous tax. Also we can provide families and small businesses estate tax relief.

Another ⅓ of our surplus must be used to pay down our national debt. I have two young children, I do not want them and millions of other children to inherit a multi-Trillion dollar debt because I would not provide any fiscal discipline.

That is morally and economically wrong. The past 8 years America has borne witness to the wonders debt relief and deficit elimination will have on our Nation's overall economy and growth rates—this is undisputed, regardless of what some of my Republican colleagues insist.

If a family ran its budget like the Republicans want America to run its budget, they'd be in bankruptcy court, losing everything they worked for—and this will happen to our Nation if we pass these economically foolish tax cuts. We cannot let this happen.

The other third of the surplus should be used to provide for our Nation's critical investments, such as providing a prescription drug benefit under Medicare or shoring up Social Security or providing a well deserved pay raise to the hard working men and women of the U.S. military.

In my own district I know of too many people who ration their own medications because they cannot pay for their doses.

I also support increased public investments in our nation's crumbling schools. I released a study several weeks ago showing 97 percent of the school children in my district studying in overcrowded and antiquated classrooms.

I believe our children should be introduced to the Internet and computers at a young age. It is universally noted that the Internet economy has sparked much of our Nation's boom over the last decade, and this high technology has greatly improved our Nation's economic output and productivity levels, a reason why inflation has been virtually nonexistent.

Congress can and should provide tax relief, but we should not abandon our basic values, like Medicare or Social Security, or risk the reemergence of ballooning deficits to achieve this goal.

Democrats have a plan to accomplish this goal. This Republican bill will not accomplish this goal.

We need an economic policy for all of America—not just the richest of America.

Mr. SERRANO. Mr. Speaker, I rise in vehement opposition to H.R. 3, the so-called "Economic Growth and Tax Relief Act of 2001".

There is no need to rush into the tax issue today. Indeed, it is foolish to move forward with any bill cutting taxes until we can put it in the context of the entire budget. For that reason, I will not support the Democratic substitute either at this time.

Before we cut taxes, we need to know how much we will need to spend to meet national needs—education, which is top priority of the American people, Social Security and Medicare, including a prescription drug benefit, universal access to health care, a cleaner environment, more effective law enforcement, a robust foreign policy, and all the necessary activities of the Federal Government.

We need to decide how we will respond to the American Society of Civil Engineers' 2001 Report Card for America's Infrastructure, issued today, which gives our public works a grade of D+ and estimates that we will need to invest $1.3 Trillion over five years in our roads, bridges, aviation system, schools, water, waste, and energy systems.

We need to reach agreement on paying down the Federal debt to prepare for the pending retirement of the Baby Boom generation, which will place enormous strains on the Federal budget and the national economy.

Just as important, because we know that the Bush tax plan will cost far more than the $1.6 Trillion he claims, and that his budget won't add up without cuts (or deficits), we need to understand what areas of the Federal budget President Bush proposes to cut to make his numbers work. And that's assuming the ten-year surplus projections come true, which is a very risky assumption.

Apart from the timing and the lack of a budgetary context, the substance of H.R. 3 is not worthy of support.

The Bush tax proposals, those in this bill and those yet to come, are unfairly skewed away from the neediest families. The wealthiest 1 percent of the income distribution, with incomes averaging $900,000, pay about 21 percent of federal taxes but would receive 43 percent of the benefits, an average tax cut of $46,000.

Many working families, including those who pay more in payroll taxes than in income taxes, would get nothing. On Tuesday, the Center on Budget and Policy Priorities released a study which indicates that if Congress approves the Bush tax plan, an estimated 12.2 million low- and middle-income families, with 24.1 million children, would not receive any tax reduction at all.

Mr. Speaker, I represent the South Bronx in New York. There are many people in my district who work two or more jobs just to make ends meet. Just think what these families could do with some extra money. They, and low- and moderate-income families like them, need and deserve tax relief as much as anyone, and they are likely to put any money they get from tax relief into the local economy.

The Republicans keep saying the rich deserve the biggest tax breaks because they pay the most taxes. But don't forget, the rich pay the most taxes because they have the most money.

Don't get me wrong, Mr. Speaker. I believe Americans should get a tax cut, but I also believe a tax cut package should be reasonably sized, fairly distributed, and achievable within a budget that addresses national needs, especially education.

I urge my colleagues to vote against H.R. 3.

Mr. SHAYS. Mr. Speaker, I rise in strong support of the tax reduction legislation before the House.

We've heard a number of our colleagues come to the floor today to brand this tax cut as irresponsible. Let me state nothing could be further from the truth.

We need to put this legislation in perspective, not simply in terms of the enormous surplus projections for the next 10 years, but also in terms of federal revenue and spending over that same period.

Consider the following: over the next decade, the U.S. Government is anticipated to collect $28 trillion in taxes. We are asking that $1.6 trillion be returned to the American people.

Of the $28 trillion in revenue, total federal spending is already expected to be $22.3 trillion over the next 10 years, unless, of course, Congress finds new ways to spend taxpayers' money.

When we compare the $1.6 trillion tax package to our other commitments over the next 10 years this tax cut seems rather modest. We anticipate spending $3.6 trillion for our military; $4.2 trillion for discretionary non-defense programs; $5.8 trillion for Social Security; $3.0 trillion for Medicare; and $2.1 trillion for Medicaid.

We've heard today, like a broken record, that this is a tax cut for the rich.

The reality is this is a tax cut for those who pay taxes. If you pay taxes, you will receive a tax cut. In fact, 6 million of the lowest income earners will be taken off the income tax rolls by this legislation. They will pay no income tax.

Some of my colleagues don't want you to know that the top 5 percent of taxpayers pay more than 50 percent of personal income taxes, and the top 50 percent of taxpayers pay more than 95.8 percent. That's a very progressive tax system, and if the President's tax package is enacted, the tax code will become even more progressive.

A married couple who both work making $55,000 with two children would receive a

$1,930 tax cut. Yet a similar household making an additional $20,000 would receive only $120.

Mr. Speaker, the bottom line for me remains this: if we don't return some of the $5.6 trillion in tax surplus that the U.S. Treasury is estimated to collect over the next 10 years, it will be spent and the growth in the size of government will increase.

I am convinced the natural tendency to spend more money will only worsen with annual surpluses rolling in every year.

The President's proposal is very consistent with my long-standing efforts to limit the growth of government, cut wasteful federal spending and move power, money and influence out of Washington and back to local communities where it belongs.

I am pleased to support this bill, and urge my colleagues to do the same.

Mr. LAFALCE. Mr. Speaker, I rise today in strong support of fiscal responsibility. Unfortunately, the bill before us today is not fiscally responsible, and it is also not fair. It is unfair because it will exclude millions of working families from receiving any tax relief. In my state of New York alone, one in three families will get nothing from this bill. Nearly 1 million families and 1.9 million children in New York will receive absolutely no benefit from this tax cut. And these are the poorest of our working families, those who pay substantial payroll and other federal taxes but have no income tax liability.

The bill before us today delivers fully 44 percent of its benefits to the wealthiest 1 percent of Americans. It is the first and largest installment of the President's $2 trillion tax cut plan—a plan whose tax cuts for the wealthiest 1 percent would cost more than all of the President's new spending initiatives combined; and a plan that would force us to raid the Social Security and Medicare Trust Funds. The Republican Leadership has chosen to introduce the most expensive element of the President's plan first; it is also the component that (with the exception of the repeal of the estate tax) most favors the wealthiest Americans, which seems to reflect their priorities.

In short, Mr. Speaker, this bill and the overall Bush tax plan have three glaring problems, any one of which should cause us to reject them resoundingly.

First, it is the wrong kind of tax cut, providing the lion's share of benefits to the wealthiest Americans. It does nothing for the most vulnerable taxpayers who need the most help, while providing substantial help to the wealthy who need it least.

Second, it is much too expensive and will crowd out important federal spending priorities, many of which the President himself claims to support. It will also derail our efforts to eliminate the national debt, which poll after poll shows is a clear priority for the American people.

Finally, we are putting the cart before the horse in considering this tax cut today, prior to laying out a budget for the year.

THE WRONG KIND OF TAX CUT

Promoters of this tax cut have a peculiar notion of fairness. They believe it is fair that the wealthiest 1 percent of Americans get 44 percent of the benefits from this tax cut. In the old days, they might have argued that these benefits would ultimately trickle down to the rest of America through dramatic surges in economic growth. In 1981, we were asked to suspend disbelief and watch as a tax windfall for the wealthy would supposedly bring dramatic benefits to even the poorest Americans. Of course, these benefits never trickled down and we learned an important, if obvious, lesson: a tax windfall for the wealthy is nothing more than a tax windfall for the wealthy.

Now, the Republicans are trying a different tack, arguing that the wealthy face the highest burden from taxes, so they deserve the lion's share of a tax cut. But this just isn't true. After-tax income for the wealthiest 1 percent of Americans grew by a whopping $171,000 (or 40 percent) per family over the past decade, while after-tax income for the bottom 90 percent of families grew by just $1,241 (or 5 percent) per family. In light of this growing disparity in after-tax income, it should be obvious who is feeling the real burden of taxes today, and it is not the very wealthy. Yet, working families will get little or no relief from this tax bill. Again, 1 in 3 families in my state will get zero benefit from this bill or the President's overall tax plan. And these are the very families who need the help the most—the working poor and lower middle class. The conclusion from these numbers is unassailable: this tax cut will further widen the gap between the very wealthy and the rest of America. What definition of tax fairness could possibly apply to this bill?

THIS TAX CUT WILL CROWD OUT SPENDING AND DEBT REDUCTION PRIORITIES

In his address before Congress last week, President Bush repeatedly assured us that his massive tax cut plan could easily be paid for by what was "left over" after meeting spending and debt reduction obligations. Now his own sketchy budget proposal shows that nothing could be further from the truth. As many of us have been warning for weeks now, the President's tax plan, and today's bill, will come at the expense of federal budget priorities and debt reduction.

The President's budget director said we would have to look long and hard to find any cuts in the budget proposal. It took me less than 30 seconds: a 20% cut at the Federal Emergency Management Agency, a 17% cut at the Environmental Protection Agency, a 15% cut at the Department of Transportation, and so on. In fact, the President's so-called "budget blueprint" is nothing more than a tax cut masquerading as a budget. And today's vote for the biggest piece of this tax cut is effectively a vote to slash federal programs, raid the Social Security and Medicare trust funds, and reverse progress toward eliminating the national debt.

Among the many program cuts in the President's budget, I find two areas particularly egregious. President Bush would dramatically cut the budgets of the Department of Housing and Urban Development and the Small Business Administration. I have played a lead role in the oversight of these two agencies during the past decade, and I can attest to the tremendously important work they do in serving American families and small businesses.

Yet, at a time when our affordable housing needs are growing, the proposed HUD budget would cut housing funding by $2.2 billion in real terms. Included in these cuts is the elimination of the Drug Elimination Program for public housing, as well as a $700 million cut in the public housing Capital Fund, a critical source of funds for upgrades and repairs to ensure that low income and senior citizens' housing remains safe and accessible.

The budget of the Small Business Administration would be decimated under the Bush plan, with cuts totaling over 46% next year. The President proposes to sustain the Small Business Development Centers program and the General Business Loan and Small Business Investment Company programs by raising fees or introducing new fees charged to small businesses. He is effectively proposing to impose new taxes on America's small business in order to finance his tax windfall for the very wealthy—in short, a windfall for Wall Street paid for on the backs of America's Main Streets. Worse yet, he proposes to completely eliminate key elements of the New Markets Initiative, which is successfully realizing the untapped productive potential of America's under-served communities.

I am also concerned about our ability to meet critical infrastructure needs in light of this expensive tax cut. According to the American Society of Civil Engineers, the United States must spend a staggering $1.3 trillion over the next 5 years to meet our infrastructure needs. Much of the burden of that spending will fall on the federal government, and we must be prepared for it. Infrastructure investments are desperately needed to ensure that the water we drink is clean, that the roads and bridges we drive on are safe, that we can accommodate increased air traffic and alleviate airport congestion, and that we can continue to clean up our environment.

In the City of Buffalo, alone, the critical need to fix crumbling schools will likely cost $1 billion over the next decade. Multiply this amount by the countless number of other cities, large and small, that face similar school repair needs. The needs are substantial and real, and we will not be able to meet them if we pass this bill.

Finally, there are substantial human needs, which continue to go unaddressed by the federal government. 45 million Americans continue to go without any form of health insurance. And none of 39 million senior citizens on Medicare receive any prescription drug benefit from that program, at a time when drugs offer great hope for healthier and longer lives. Again, we simply will not be able to meet these needs if we pass this bill and follow the President's path for tax cuts.

In short, in passing this bill, we are incapacitating and emasculating the federal government's ability to meet all of these pressing needs. And we are re-digging the deficit ditch, after spending a long and difficult 18 years extricating ourselves from it.

THIS TAX CUT PUTS THE CART BEFORE THE HORSE

Poll after poll indicates that the American people do not support a massive tax cut that would jeopardize federal spending priorities and debt reduction. Congressional Republicans know this, which is why they are now rushing to put the cart before the horse, by passing the President's tax plan before we even know what our budget will be for the year. Mr. Speaker, we tried this approach before, and it was a disaster. In 1981, President

Reagan assured us that we could first pass a massive tax cut and then meet federal spending priorities, all the while keeping the federal deficit in check. In reality, the 1981 tax cut plunged us into a decade of mounting debt, while putting the squeeze on important federal programs.

This experience should have taught us that we cannot rely on magic asterisks and vague promises to meet federal budget priorities. It is critical that we consider tax cuts after we give serious consideration to a detailed budget for the year. In adopting the Republicans' plan, we would be turning the President's message on its head—he told us that tax cuts would be paid for by what was ''left over'' after budget priorities and debt reduction goals were met. But today, we are, in fact, moving headlong into a fiscal plan that will pay for all of the federal government's spending obligations, as well as debt reduction, out of what is left over from a massive tax cut.

Mr. BENTSEN. Mr. Speaker, I rise in strong opposition to H.R. 3, the first installment of President Bush's proposed tax cut package.

Having voted for tax cuts many times, I support an income tax rate cut, but not outside a sensible budget framework. By rushing H.R. 3 to the floor even before we've adopted next year's budget, the Republican Leadership has abandoned even the semblance of fiscal prudence. Mr. Speaker, I cannot support a tax cut of this magnitude before we have had an opportunity to engage in a full and fair debate on the competing budgetary priorities, including those of the President. The Republican Leadership has rushed the $1 trillion tax cut to the floor before deciding how much will go to debt reduction, funding the President's own spending increases, and reforming Social Security and Medicare. This is a classic case of putting the cart before the horse.

In all the euphoria over the projected budget surplus of $5.6 trillion over ten-year projection, released by the Congressional Budget Office, we run the risk of failing to continue the fiscal restraint which has brought us to this point today. In just eight years, the baby boomers begin retiring and place unprecedented stresses on Social Security and Medicare. All the major economic forecasters, including CBO, OMB, GAO, as well as independent analysts, agree that the long-term budget picture shows deficits returning in due course and ultimately rising to unsustainable levels. The Republican Leadership is today throwing fiscal responsibility to the wind for short-term political gain and are denying the lessons of the past about relying on speculative economic and political assumptions.

I also think it is irresponsible to structure a tax cut against the entire on 10-year surplus projections, the bulk of which are projected to materialize after 2006. History has taught us that it is far easier to enact additional tax cuts in future years of economic projections hold up or improve, while it is far more difficult to enact tax increases or budget cuts in the future if the projections go unrealized. CBO itself acknowledges that current projections may substantially overstate projected surpluses and has concluded that ''the estimated surpluses could be off in one direction or the other, on average, by about $52 billion in 2001, $120 billion in 2002, and $412 billion in 2006.'' While there is significant doubt about whether surpluses will be realized, the coming retirement of the baby generation is a certainty for which we must plan.

I also have serious reservations about some of the contortions in the President's Budget Blueprint. The Administration plans to dedicate $2 trillion of the surplus, attributable to Social Security Trust Fund, to debt reduction and reserve the remaining $600 billion of Trust Fund receipts for Social Security privatization.

Futhermore, the President's Budget assumes dramatic spending increases in some accounts with unrealistic spending cuts in others. In recent days, the Administration has reversed itself on some of its proposed cuts and the Republican Chairman of the Senate Budget Committee has called into question the President's discretionary budget assumptions. Finally, in recent days of hearings before the Budget Committee, we have learned that the President's proposed ''contingency fund,'' which is supposed to offset additional spending, tax cuts or unrealized surpluses, is actually not $842 billion, but less than $200 billion, once you subtract the projected Medicare Trust Fund balance and add the increased cost of the H.R. 3 over the President's estimate.

Thus, Mr. Speaker, I must oppose H.R. 3. This House is moving too fast to gain political advantage before determining how we can meet our longterm obligations, including paying down the debt.

Mr. McGOVERN. Mr. Speaker, I rise today in strong opposition to H.R. 3, the Economic Growth and Tax Relief Act of 2001. While I strongly support giving money back to hard-working Americans and to the families that need a tax cut, this is not the right way to do it.

While current economic projections show that we might see a significant budget surplus, the projections are just that—projections. We must be very cautious with these forecasts because the money we spend today—on tax cuts or on necessary programs—will be directly drawn from the projected surplus. Before Congress and the new Administration begin spending this surplus, we must take steps to ensure that our economy does not return to the budget deficits of the 1980s and early 1990s.

There are several reasons I am opposed to and will vote against H.R. 3.

First and foremost, this tax cut does not provide the necessary relief to the people who need it most. Instead of providing tax relief to middle-income families and working Americans, this bill benefits the most affluent of Americans. The top one percent of the income distribution would receive 43 percent of the tax benefits. This means that people whose incomes average over $900,000 per year would receive an average annual tax cut of $46,000! Yet many moderate- and low-income families will receive little or no benefit.

For example, while the top one percent of income earners receive tax breaks, an estimated 224,000 low and moderate income families in Massachusetts will not benefit from this plan. 28 percent of families living in Massachusetts will not benefit from this tax cut because their incomes are too low to owe federal income taxes.

Second, the U.S. House of Representatives is considering this tax cut without having considered or approved a budget. Instead of crafting and debating a budget for the next fiscal year, the majority party has rushed this tax bill for a vote at the expense of other priorities. The budget is the framework for all spending in the next fiscal year, including tax policy. Without a budget, we are endangering important priorities like education, health care, public safety, environmental protection, Social Security and Medicare.

This tax cut is nothing more than a replay of Reaganomics—the rich will get the tax cut, promises will be made that the money the rich receive will trickle down to the rest of us, and the nation will return to deficit spending.

Instead, we should move forward with a blueprint that has provided us with record surplus projections and has allowed us to consider such vital programs as a prescription drug benefit. We must protect and extend the Social Security and Medicare Trust Funds. We must continue to pay down the debt. As we pay down the debt, the surplus will continue to grow and we will be better able to pay for the priorities that are vital to all Americans.

We must not ignore our responsibilities to all Americans by providing tax breaks to just a few. I urge a no vote on H.R. 3.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer an amendment in the nature of a substitute on behalf of myself, the gentleman from North Dakota (Mr. POMEROY); the gentleman from Rhode Island (Mr. LANGEVIN); the gentleman from California (Mr. HONDA); the gentlewoman from California (Mrs. DAVIS); the gentleman from Oklahoma (Mr. CARSON); and the gentleman from Missouri (Mr. GEPHARDT), the Democratic leader.

The SPEAKER pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. RANGEL:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

(a) SHORT TITLE.—This Act may be cited as the ''Tax Reduction Act of 2001''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) SECTION 15 NOT TO APPLY.—No amendment made by this Act shall be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

TITLE I—INDIVIDUAL INCOME TAX RATE REDUCTIONS; EXPANSION OF EARNED INCOME CREDIT ASSISTANCE

SEC. 101. INDIVIDUAL INCOME TAX RATE REDUCTIONS.

(a) IN GENERAL.—Section 1 is amended by adding at the end the following new subsection:

''(i) 12 PERCENT RATE BRACKET.—

''(1) IN GENERAL.—In the case of taxable years beginning after December 31, 2000—

''(A) the rate of tax under subsections (a), (b), (c), and (d) on taxable income not over the initial bracket amount shall be 12 percent, and

''(B) the 15 percent rate of tax shall apply only to taxable income over the initial bracket amount.

''(2) INITIAL BRACKET AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the initial bracket amount is—

''(i) $20,000 in the case of subsection (a),

''(ii) 80 percent of the dollar amount in clause (i) in the case of subsection (b), and

''(iii) 50 percent of the dollar amount in clause (i) in the case of subsections (c) and (d).

''(B) PHASEIN.—The initial bracket amount is—

''(i) ¼ the amount otherwise applicable under subparagraph (A) in the case of taxable years beginning during 2001, and

''(ii) ½ such amount otherwise applicable under subparagraph (A) in the case of taxable years beginning during 2002.

''(3) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2003, the $20,000 amount under paragraph (2)(A)(i) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under subsection (f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2002' for 'calendar year 1992' in subparagraph (B) thereof.

''(B) ROUNDING RULES.—If any amount after adjustment under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

''(4) ADJUSTMENT OF TABLES.—The Secretary shall adjust the tables prescribed under subsection (f) to carry out this subsection.''

(b) ADJUSTMENT IN COMPUTATION OF ALTERNATIVE MINIMUM TAX.—Paragraph (2) of section 55(a) is amended to read as follows:

''(2) the sum of—

''(A) the regular tax for the taxable year, plus

''(B) in the case of an individual, 3 percent of so much of the individual's taxable income for the taxable year as is taxed at 12 percent.''

(c) REPEAL OF REDUCTION OF REFUNDABLE TAX CREDITS.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(d) CONFORMING AMENDMENT.—Subclause (II) of section 1(g)(7)(B)(ii) is amended by striking ''15 percent'' and inserting ''12 percent''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

(f) PROTECTION OF SOCIAL SECURITY AND MEDICARE.—The amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

SEC. 102. MODIFICATIONS TO EARNED INCOME TAX CREDIT.

(a) INCREASES IN PERCENTAGES AND AMOUNTS USED TO DETERMINE CREDIT; MARRIAGE PENALTY RELIEF.—

(1) IN GENERAL.—Subsection (b) of section 32 is amended to read as follows:

''(b) PERCENTAGES AND AMOUNTS.—

''(1) PERCENTAGES.—The credit percentage, the initial phaseout percentage, and the final phaseout percentage shall be determined as follows:

''In the case of an eligible individual with:	The credit percentage is:	The initial phaseout percentage is:	The final phaseout percentage is:
1 qualifying child	34	15.98	18.98
2 or more qualifying children	40	21.06	24.06
No qualifying children	7.65	7.65	7.65

''(2) AMOUNTS.—

''(A) IN GENERAL.—The earned income amount and the initial phaseout amount shall be determined as follows:

''In the case of an eligible individual with:	The earned income amount is:	The initial phaseout amount is:
1 qualifying child	$8,140	$13,470
2 or more qualifying children	$10,820	$13,470
No qualifying children	$4,900	$6,130.

In the case of a joint return where there is at least 1 qualifying child, the initial phaseout amount shall be $2,500 greater than the amount otherwise applicable under the preceding sentence.

''(B) FINAL PHASEOUT AMOUNT.—The final phaseout amount is $26,000 ($28,500 in the case of a joint return).''

(2) MODIFICATION OF COMPUTATION OF PHASEOUT.—Paragraph (2) of section 32(a) is amended to read as follows:

''(2) PHASEOUT OF CREDIT.—The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall be reduced (but not below zero) by the sum of—

''(A) the initial phaseout percentage of so much of the total income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the initial phaseout amount but does not exceed the final phaseout amount, plus

''(B) the final phaseout percentage of so much of the total income (or, if greater, the earned income) of the taxpayer for the taxable year as exceeds the final phaseout amount.''

(3) TOTAL INCOME.—Paragraph (5) of section 32(c) is amended to read as follows:

''(5) TOTAL INCOME.—The term 'total income' means adjusted gross income determined without regard to—

''(A) the deductions referred to in paragraphs (6), (7), (9), (10), (15), (16), and (17) of section 62(a),

''(B) the deduction allowed by section 162(1), and

''(C) the deduction allowed by section 164(f).''

(4) CONFORMING AMENDMENTS.—

(A) Subsection (j) of section 32 is amended to read as follows:

''(j) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of any taxable year beginning after 2002, each of the dollar amounts in subsection (b)(2) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3), for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2001' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any dollar amount, after being increased under paragraph (1), is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.''

(B) Subparagraph (C) of section 32(c)(1) is amended by striking ''modified adjusted gross income'' and inserting ''total income''.

(C) Paragraph (2) of section 32(f) is amended to read as follows:

''(2) REQUIREMENTS FOR TABLES.—

''(A) IN GENERAL.—The provisions of subsection (a)(1) and the provisions of subsection (a)(2) shall be reflected in separate tables prescribed under paragraph (1).

''(B) SUBSECTION (A)(1) TABLE.—The tables prescribed under paragraph (1) to reflect the provisions of subsection (a)(1) shall have income brackets of not greater than $50 each for earned income between $0 and the earned income amount.

''(C) SUBSECTION (A)(2) TABLE.—The tables prescribed under paragraph (1) to reflect the provisions of subsection (a)(2) shall have income brackets of not greater than $50 each for total income (or, if greater, the earned income) above the initial phaseout threshold.''

(b) REPEAL OF DENIAL OF CREDIT WHERE INVESTMENT INCOME.—Section 32 is amended by striking subsection (i).

(c) EARNED INCOME TO INCLUDE ONLY AMOUNTS INCLUDIBLE IN GROSS INCOME.—

(1) IN GENERAL.—Section 32(c)(2)(A)(i) (defining earned income) is amended by inserting '', but only if such amounts are includible in gross income for the taxable year'' after ''other employee compensation''.

(2) CONFORMING AMENDMENT.—Section 32(c)(2)(B) is amended by striking ''and'' at the end of clause (iv), by striking the period at the end of clause (v) and inserting '', and'', and by adding at the end the following new clause:

''(vi) the requirement under subparagraph (A)(i) that an amount be includible in gross income shall not apply if such amount is exempt from tax under section 7873 or is derived directly from restricted and allotted land under the Act of February 8, 1887 (commonly known as the Indian General Allotment Act) (25 U.S.C. 331 et seq.) or from land held under Acts or treaties containing an exception provision similar to the Indian General Allotment Act.''

(d) MODIFICATION OF JOINT RETURN REQUIREMENT.—Subsection (d) of section 32 is amended to read as follows:

''(d) MARRIED INDIVIDUALS.—

''(1) IN GENERAL.—If the taxpayer is married at the close of the taxable year, the credit shall be allowed under subsection (a) only if the taxpayer and his spouse file a joint return for the taxable year.

''(2) MARITAL STATUS.—For purposes of paragraph (1), an individual legally separated from his spouse under a decree of divorce or of separate maintenance shall not be considered as married.

''(3) CERTAIN MARRIED INDIVIDUALS LIVING APART.—For purposes of paragraph (1), if—

''(A) an individual —

''(i) is married and files a separate return, and

''(ii) has a qualifying child who is a son, daughter, stepson, or stepdaughter of such individual, and

''(B) during the last 6 months of such taxable year, such individual and such individual's spouse do not have the same principal place of abode,

such individual shall not be considered as married.''

(e) EXPANSION OF MATHEMATICAL ERROR AUTHORITY.—Paragraph (2) of section 6213(g)

is amended by striking ''and'' at the end of subparagraph (K), by striking the period at the end of subparagraph (L) and inserting '', and'', and by inserting after subparagraph (L) the following new subparagraph:

''(M) the entry on the return claiming the credit under section 32 with respect to a child if, according to the Federal Case Registry of Child Support Orders established under section 453(h) of the Social Security Act, the taxpayer is a noncustodial parent of such child.''

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

TITLE II—MARRIAGE PENALTY RELIEF

SEC. 201. MARRIAGE PENALTY RELIEF.

(a) STANDARD DEDUCTION.—

(1) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(A) by striking ''$5,000'' in subparagraph (A) and inserting ''twice the dollar amount in effect under subparagraph (C) for the taxable year'',

(B) by adding ''or'' at the end of subparagraph (B),

(C) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(D) by striking subparagraph (D).

(2) INCREASE ALLOWED AS DEDUCTION IN DETERMINING MINIMUM TAX.—Subparagraph (E) of section 56(b)(1) is amended by adding at the end the following new sentence: ''The preceding sentence shall not apply to so much of the standard deduction under subparagraph (A) of section 63(c)(2) as exceeds the amount which would be such deduction but for the amendment made by section 201(a)(1) of the Tax Reduction Act of 2001.

(3) TECHNICAL AMENDMENTS.—

(A) Subparagraph (B) of section 1(f)(6) is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(B) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 83, the gentleman from New York (Mr. RANGEL) and a Member opposed each will control 30 minutes.

Mr. THOMAS. Mr. Speaker, I do rise, along with the entire Republican leadership and every Republican member of the Committee on Ways and Means and the vast majority of Republicans in opposition to the substitute.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) claims the time in opposition.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume. I would note that the gentleman from California (Mr. THOMAS) did not mention the Republican President that I assume is still trying to be bipartisan.

Mr. Speaker, as we have said, we all would like to have a tax cut. Some of us believe that it should be responsible; all of us hope that it would be bipartisan. We want it to be fair, we want it to be honest, we do not want the hidden costs, as we see with the major bill that is on this floor today.

We think that it is unfair that 44 percent of the tax bill that is before us would go to 1 percent of the taxpayers, and those other people who make over $373,000 each year. What we have done is created a new 12 percent rate bracket for the first $20,000 of taxable income; and truly, all people would enjoy some type of tax relief.

But another issue which I hope will be discussed during the debate is that Republicans like to say, if you do not pay income taxes, do not expect an income tax return. Well, for 80 percent of the hard-working people that pay payroll taxes, they think it is a tax on their income. They work hard every day, and they do not get any relief under this bill. So we do not tinker and stop the flow of the money to Social Security or to Medicare, but we do create in our substitute an expansion of the earned income tax credit, so that we would provide a cushion for these hard-working people. The Republican bill does not deal with the marriage penalty. What we do is create a double standard deduction that is twice the standard deduction that would be available to the single people.

I admit that we are concerned about the people that are in high-income States too, because under the Republican bill, the deductibility of local and State taxes will be prevented by a mechanism that is referred to as the alternative minimum tax. We raised this to the chairman, but the Republicans obviously say ''manana,'' or tomorrow, they will take care of it. They will take care of the estate taxes, they will take care of the marriage penalty, they will take care of the deficit that might result as a result of their bill.

So I am hoping that at this time we would reject the Republican bill that is before us. It is not bipartisan; it has not been discussed with us. We think that this substitute is fiscally responsible; we think it is fair; we think it is honest; and, unlike H.R. 3, we think that it warrants the support of Republicans and Democrats, and we urge our colleagues to support it.

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

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

Again, I guess I am just a little bit confused. I thought that what we heard for the last hour was how quickly Republicans were moving, and that we just should not really move this quickly on a tax cut. I thought I just heard my friend and colleague from New York now indicate that we are not moving in this tax bill on the marriage penalty, on the death tax, on child credit, on alleviating the alternative minimum tax; and they just wonder if we are ever going to move.

I would tell the gentleman that, just as the President in the joint session in the well said that he wanted immediate tax relief for all Americans, which we are providing today, he also mentioned that we should have a child credit increase; that we should fix the marriage penalty; that we should eliminate the death tax. And we are going to do all of those.

I look forward to working with my colleague as we go forward in putting those tax packages together. It is March, and I do apologize to the gentleman because we do not have all of those other portions of the President's plan in front of us today, but I know that we will work diligently in committee; and before this month is out, very likely, we will be able to present the rest of the President's package.

So I do take the admonition about moving quickly for the other parts of the package, and I look forward to the gentleman working with us. Today is not the day, however; and today is to pass the heart of the President's program, and that is the rate reductions, the lowering of the fundamental structure of taxes for all income tax payers. That is what H.R. 3 does, and that is why we support the bill rather than this quickly conceived, hastily thrown together substitute.

Mr. RANGEL. Mr. Speaker, would the distinguished and articulate chairman of the Committee on Ways and Means yield?

Mr. THOMAS. Mr. Speaker, I would certainly yield to the gentleman from New York on his time.

Mr. RANGEL. Well, the gentleman is not yielding then. That is parliamentary. It is impossible for him to do that. Has the gentleman from California no sense of how this House is supposed to operate? How can the gentleman yield to me on my time? I asked the gentleman to yield. That is unfair.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from New York (Mr. HOUGHTON), a valued member of the Committee on Ways and Means, and a gentleman who understands the rules.

Mr. HOUGHTON. Mr. Speaker, I wish this were a little more evenly balanced in terms of a bipartisan approach, but evidently we are dealing with things which have been triggered by the White House, and we have to follow that route.

Look, there are certain things about the Republican bill that I do not particularly like. It is a very uncertain future. Who knows what is going to happen in 10 years? Also, there are some things in terms of child credits and in terms of a whole variety of things such as alternative minimum taxes that maybe should be considered, but there are certain things we do know. We know we are dealing with a huge surplus, a gargantuan surplus; and irrespective of what happens here in terms

of the economy, we have a lot of area to play with. And it seems to me that what we want to do is to stretch and give as much as possible back to the people, where this money came from.

I used to be in business, and if one said to the stockholders and the employers in the business, look, we have been losing money for 30 years, which is exactly what the Federal Government has done, and now we are beginning to make a little bit, and what we want to do is to thank you for holding with us and we want to give you a dividend increase, we want to give you a salary increase; we are going to pay back our debts, but we are not going to pay them back all at once without taking care of you, we are going to do it in a balanced way. It seems to me that this is the whole premise of the Republican budget, and I support it.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. STARK), a senior member of the Committee on Ways and Means.

Mr. STARK. Mr. Speaker, I am so happy to follow my distinguished colleagues on the other side of the aisle from California and from New York. The gentleman who preceded me is arguably somewhat more wealthy than I am, and I think I would just like to explain in terms he and I can understand.

Mr. THOMAS. Mr. Speaker, will the gentleman yield briefly?

Mr. STARK. No.

Mr. THOMAS. Mr. Speaker, I do not believe there is any argument.

Mr. STARK. Regular order, Mr. Speaker.

It is pretty clear, because I talked to my colleagues a few months ago about why I did not intend to support removing the inheritance tax to make my children even richer than they will be, and so I am here today to explain to my colleagues in the simplest terms about what greed has done.

I know the gentleman from New York (Mr. HOUGHTON) will do far better than I will on this, but my accountant tells me that under the Republican plan, I will save $28,253.82. Under the Democratic alternative as proposed by our distinguished ranking member and the Democrats, I would save $737, a difference of $27,500.

My father-in-law is a retired teamster in San Marino, California. He has had a small business. He and people under $44,000 a year will receive $316 under the Bush plan, $289 under ours, a $25 difference. The $27,500 that my Republican colleagues are giving to Members of Congress is going to us instead of paying for a drug benefit for seniors. That is what is the issue today. The Republicans would destroy Medicare and Social Security by giving the money to the gentleman from New York (Mr. HOUGHTON) and to me who arguably do not need it and deny decent benefits to the seniors in this country. It is clear.

Mr. THOMAS. Mr. Speaker, as someone who clearly does not have that dilemma in front of him, I yield 2 minutes to the gentleman from Oklahoma (Mr. WATKINS), a valued member of the Committee on Ways and Means.

Mr. WATKINS. Mr. Speaker, I have a great deal of respect for the gentleman from New York (Mr. RANGEL). I support this bill because I truly believe we must stimulate the economy.

□ 1530

When you have Alan Greenspan, Chairman of the Federal Reserve, lowering the interest rates twice in January, and the economic indicators have been down. They need to be stimulated in order for us to build jobs and build the economy. We must not let the economy go into a tailspin.

There are a lot of people that like to point out that it does not go far enough. I agree there. And let me say to the gentleman from New York (Mr. RANGEL), if he does not believe in tax reduction, let me have the gentleman's capital gains tax reductions that the gentleman has with the empowerment zones.

Let me also have the gentleman's tax credits that the gentleman has in Harlem and also the accelerated depreciation, and if the gentleman gives me all of those, I will back off because I know tax reduction works.

The gentleman from New York (Mr. RANGEL), my good friend, knows it works, because that is the only hope to stimulate that economy in Harlem. Just like I have high hopes that I can get industry into the lower income rural economic depressed areas of Oklahoma where we have had out-migration. We have lost our population. We have had welfare, low per capita income.

The tax reductions do work, because we have to have the economic opportunities to stimulate jobs. Some people like to point back and say look at Ronald Reagan's time. That was totally a different time 20 years ago.

If my colleagues remember, that budget was built by David Stockman with inflated figures. Does the gentleman remember that? They were out of bounds. We did not have a balanced budget.

Today we have a balanced budget. In fact, we are paying down debt. We do not have a huge military buildup like we had back at that time either. Circumstances are a lot different.

Let me say I stand in support of this tax bill and let us send part of this surplus back to our taxpayers.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON), the chairwoman of the Congressional Black Caucus.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding the time to me.

The Congressional Black Caucus supports the Democratic alternative to the Bush tax plan, because it really is better. However, the Congressional Black Caucus believes that before we do any tax cut, we do need a budget plan.

I just heard the gentleman, a friend, talk about wanting to stimulate jobs. The last administration stimulated 22 million jobs. We are not in a crisis for a tax break.

The Democratic plan calls for a $900 billion tax cut that is fiscally responsible and fair to the average American. The Democratic plan contains a new 12 percent bottom bracket that would cut taxes on all individuals up to $300 and to all couples $600 annually, not just the top 1 percent.

The plan contains a married penalty relief for couples who use the standard deduction and for the tax relief for married couples who utilized the earned income tax credit.

Mr. Speaker, the Congressional Black Caucus supports the Democratic alternative to the Bush tax plan, because it is better. However, the Congressional Black Caucus believes that before we do any tax cut we need to have a budget plan.

The Democratic plan calls for a $900 billion tax cut that is fiscally responsible and fair to average Americans.

The Democratic plan contains: a new 12 percent bottom bracket that would cut taxes on all individuals up to $300 and to all couples up to $600 annually; the plan also contains marriage penalty relief for couples who use the standard deduction and further tax relief to married couples who utilize the earned income tax credit; and the plan includes estate tax relief that would eliminate this tax for over two-thirds of all estates that are currently subject to this tax.

The Democratic plan protects Social Security and Medicare. It reserves one-third of the projected $2.7 billion surplus so that we can meet our obligations to the Baby Boomers when they start to retire in 2008.

This Democratic plan leaves enough money for investment priorities that even the administration has said they support, such as improving education and providing a real prescription drug benefit for senior citizens.

The Democratic tax cut also lets us pay down the debt rapidly by setting aside one-third of the projected surplus for debt reduction. Every American benefits from this because everyone will at some point want to own a home, or buy a new car. Paying down the debt ensures that interest rates on loans will stay low, meaning lower monthly mortgage and car payments.

The slowdown in the economy does require a tax cut to ensure that a full scale recession does not occur.

Tax cuts should be fair to the average American family. The President's plan is not. The Citizens for Tax Justice organization performed independent analysis that found that the President's plan provides an average $46,000 tax cut to the top 1 percent of taxpayers while leaving only an average tax cut of $227 for the lowest 60 percent of working families.

The President's plan is also fiscally irresponsible. It raids the surplus, threatens Social Security and Medicare, and leaves no room for important investments like education and health care.

The President's plan threatens economic prosperity by reversing all the progress that was made during the last administration. It will plunge the country back into deficit spending just like President Reagan's tax cuts of the 1980s.

The President's plan even threatens Medicare and Social Security because it leaves no room for error if the economy does not grow as quickly as current projections.

Mr. Speaker, we need a budget plan before voting on any tax cuts. However, the Democratic alternative is the better tax approach.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2 minutes to the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means, for yielding the time to me and for his strong leadership in bringing this bill to the floor.

Mr. Speaker, I rise in opposition to the Democratic substitute and in support of H.R. 3, the Economic Growth and Tax Relief Act. This is very simple, what we are about here. This is money that was earned by the American people. They have paid it.

The government is taking in far more, far more than we are spending, and it is appropriate to give it back. It is a lot like if someone baked a batch of cookies and put them all out on a plate on the table at one time, watch and see what happens to it. In most families, they are going to go just like that. That is why we have to give this money back to the taxpayers, and we need to do it in a responsible way, because if we leave that money here, that plate of cookies right here, they are going to spend it.

It is entirely appropriate that instead of doing that, we provide for a reduction in statutory tax rates under the individual income tax. A vital step towards reducing the complexity of our tax process is reducing taxes in general. Instead of squandering the surplus on wasteful government spending, the Bush administration and Congress are working to ensure that government provides tax relief to all Americans.

Mr. Speaker, by reducing the current five tax brackets into four and making the new 12 percent rate retroactive, Washington will return hard earned dollars to those who earned it, the American citizens. This bill allows people to make choices on how to best spend their money.

The government should not be making that decision for them. This is the heart, the heart of President Bush's tax plan, and I urge my colleagues to support this bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Missouri (Ms. MCCARTHY).

Ms. MCCARTHY of Missouri. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me the time.

Mr. Speaker, I rise in opposition to the Republican tax cut plan, H.R. 3, and in support of the Democratic substitute. I support tax cuts for all Americans. Under the President's plan, many of American working families would still be left behind.

The President's tax plan provides each of the wealthiest 1 percent of the taxpayers $46,000 in relief with the lowest 60 percent of working families getting a tax cut of just $227, or less than a dollar a day. This plan leaves working families and children behind.

Mr. Speaker, 30 percent of Missouri's families will be left behind, a third of Missouri's children will be left behind. I support a tax plan that focuses its relief on workers and families with children. This is fairness.

I support a budget that protects Social Security and Medicare and continues to reduce the national debt. This is fiscal responsibility. Supporting a tax cut of such magnitude as the President's will leave us unable to meet the needs of the economy of the American people and especially the educational needs of our children.

It is not a fair plan nor a responsible fiscal policy, and I urge my colleagues to vote no on H.R. 3 and support the Democratic alternative.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 1 minute to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, for yielding the time to me.

Mr. Speaker, the most important reason to have a tax cut is to get some of this money out of town. It has been mentioned that spending is the danger.

There are a lot of problems in this country. There are a lot of problems in the world, and it is easy for politicians to say let us spend a little more of that available money.

Let me just give my colleagues a quick example, Mr. Speaker, in the last one, if we would have stuck to the caps that we set on ourselves for 1997, the baseline for the next 10 years would be $1.7 trillion less spending than the baseline that exists because of our expanded spending.

The danger is more and more spending from this body, and it has been said many times how many people believe that if you leave it on this political counter in Washington most of it is going to be spent for an expanded government; that is the worst thing we can do for the future of the economy.

It is the worst thing we can do for the liability that our kids are going to have to bail us out of. Let us get some of the money out of town. Let us be fiscally responsible and start setting priorities.

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

Mr. Speaker, it amazes me the lack of confidence that these Republicans have in their leadership as relates to spending, but they know best.

Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE), who served in the State Finance Committee before she came to the Congress.

Ms. LEE. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me the time.

Mr. Speaker, I rise today to oppose the Bush tax cut plan, which discriminates against millions of families with children, especially minority families.

According to the Center for Budget and Policy Priorities, 55 percent of African American families and 56 percent of Latino families, including 12 million children, would not receive 1 penny of tax relief under the Bush tax plan.

Let me read you a quote from a full page ad in the West Coast edition of the New York Times that ran last week. It says your proposed $1.6 trillion tax cut inadvertently puts our children at risk.

Now this ad, this full page ad, was taken out by a multi-ethnic coalition of 38 church, community and small business associations in California, including the California Hispanic Chamber of Commerce, the California Black Chamber of Commerce, and the National Council of Asian American Business Associations.

President Bush states that he wants to unify the Nation, but his tax plan is not a unifying plan. It leaves out many minority families. Instead of huge tax breaks, we should spend any surplus on education, on housing, Social Security and paying off the debt.

Mr. Speaker, I submit the following ad I mentioned in my remarks for the RECORD:

[From the New York Times, Mar. 1, 2001]

OPEN LETTER TO THE PRESIDENT—WE SUPPORT YOUR PRO-CHILD INAUGURAL ADDRESS: PLEASE CREATE A PRO-CHILD TAX CUT

''And whatever our views of [poverty's] cause, we can agree that children at risk are not at fault. Abandonment and abuse are not acts of God, they are failures of love.'' (Inaugural Address, Jan. 2001)

DEAR PRESIDENT BUSH: Your eloquent and compassionate Inaugural Address will long be remembered if your tax policies follow the pro-children theme of this address.

Your proposed 1.6 trillion-dollar tax cut inadvertently puts our children at risk. By its sheer size and focus on the wealthiest one percent of families (average income of one million dollars) it jeopardizes the children-at-risk theme of your compassionate educational and health care projects.

Over half (56%) of all Latino and African American children live in families that will receive no tax cuts.

Only one in 25 children live in families that will receive any significant benefits, and virtually all of these families can presently fully provide for all their children's needs and wishes.

PROTECT OUR MOST PRECIOUS RESOURCE: A $1,200 ANNUAL TAX REBATE FOR A FAMILY OF FOUR

Consistent with the compassionate theme of your Inaugural Address we support an annual $300 per person tax rebate for all U.S. residents, including senior citizens. A family of four would receive $1,200 a year.

Over 95% of children and their families would receive more under this proposal than under your proposal. And, only the top one percent of families (average income of one million dollars) would receive significantly less from the pro-child proposal than from your proposal. Your proposal gives these families $63,000 a year in tax cuts in the first year and close to a million dollars over a ten year period.

Even the typical senior citizen would benefit. Under your proposal a widow earning $20,000 would get a rebate of just $60. Under the $300 per person proposal, she would receive five times as much.

And, the typical family earning under $80,000 would receive $233 more per year under this proposal than from your tax cut proposal.

Unlike your proposal, the $1,200 per family of four proposal will not jeopardize social security, Medicare, military spending, or environmental protection, since it will cost fewer than 90 billion dollars a year and can be adjusted upward or downward depending on the size of our national surplus.

This $1,200 rebate will directly and immediately stimulate the economy and work in tandem with Federal Reserve Chairman Greenspan's interest rate cuts. It will do so because it can be provided immediately and 95% of the beneficiaries will use it for domestic spending such as health care, food, clothing and housing. In contrast, a tax cut for the super-rich will either not be spent or expended largely on foreign luxury goods such as Ferraris.

Mr. President, do not forget our children! Do not put our most precious resource at risk! Let their families, not the super-rich determine their future.

''African Americans fully understand the distinction between complex tax cuts for the super rich and a sweeping and simple across-the-board cut that equally benefits every American, including the humble and hardworking factory, hospital and restaurant workers of America.'' (Reverend J. Alfred Smith, Jr., co-pastor, Allen Temple Baptist Church)

''Latinos future success is largely dependent upon tax policies that promote and protect our most precious resource, our children.'' (Raul Medrano, Chairman, California Hispanic Chamber of Commerce)

Reverend Mark Whitlock, First AME Church, Los Angeles; Raul Medrano, California Hispanic Chamber of Commerce; Aubry Stone, California Black Chamber of Commerce; Gelly Borromeo, National Council of Asian American Business Associations; George Dean, Greater Phoenix Area Urban League; Reverend J. Alfred Smith, Jr., Allen Temple Baptist Church; Jorge Corralejo, Latin Business Association; Angelina Casillas-Corona, Hermandad Mexicana Nacional; Leo Avila, American GI Forum; Mary Ann Mitchell, National Black Business Council; Stanley H. Hall, Bay Area Urban League; Darlene Mar, Council of Asian American Business Association; Reverend Stephen McGlover, Black Business Association; Ben Benavidez, Mexican American Political Association; George Bivins, Black Business Association of Los Angeles; Lisa Yuchengco, Asian Pacific Publishers Association; Gayle Orr-Smith, San Francisco Business and Professional Women; Calvin Louie, CAABA; Ray Uzeta, Chicano Federation of San Diego; Manuel Pena, Orange County Minority Business Council; Arabella Martinez, Spanish Speaking Unity Council; John Gamboa, The Greenlining Institute.

PREPARED BY THE GREENLINING INSTITUTE, A MULTI-ETHNIC COALITION OF 38 CHURCH, COMMUNITY, AND SMALL BUSINESS ASSOCIATIONS, 785 MARKET STREET, 3RD FLOOR, SAN FRANCISCO, CA

Mr. THOMAS. Mr. Speaker, I yield myself 45 seconds.

Mr. Speaker, I believe that pretty well clears the air in terms of what some folks want to do with other people's money.

I believe that the point of the gentlewoman from California (Ms. LEE) was that there are a number of Americans who do not pay income taxes. This is a reduction, a permanent reduction in the income tax rate. More than 60 million women income tax payers will be benefitted. More than 16 million African American income tax payers will be benefitted. More than 15 million Hispanic American income taxpayers will be benefitted.

Those African Americans, Hispanics and women who will be benefitted are income taxpayers. The concern of the gentlewoman about those who do not pay income taxes was addressed by the President when he talked about needed reform in Social Security.

We will be doing that, and we will be doing it soon.

Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from California (Mr. COX), chairman of the Republican Policy Committee.

Mr. COX. Mr. Speaker, I thank the gentleman from California (Mr. THOMAS), the distinguished chairman of the Committee on Ways and Means.

Mr. Speaker, the gentleman could not have said it better. Higher tax rates do not produce jobs. Lower tax rates do.

High tax rates do not help single moms. Lower tax rates do.

High tax rates do not help our kids and our families. Lower tax rates do.

Mr. Speaker, today, for the first time in 20 years, we had on this floor a bill that will provide across the board tax rate relief for every working American, everyone. And, of course, the greatest percentage relief goes to the lowest end of the income scale.

The last time we did this was the Economic Recovery Tax Act of 1981. That was the catalyst for the staggering economic growth of the 1980s, the 1990s, the growth that we are still enjoying today. By reducing tax rates, we found during the decade of the 1980s that income tax revenues to the government more than doubles.

The problem was, of course, congressional spending at that time which more than doubled, but now a fiscally responsible Congress is prepared to keep a lid on spending.

I do expect that we will live within the 4 percent growth in discretionary spending that President Bush has laid out for us.

Mr. Speaker, what better time for a tax rate reduction than when we are enjoying record surpluses, something we were not blessed with back in the 1980s. Since the 1981 tax rate reduction, the American people have suffered eight tax hikes, so that today the tax burden on the American people and the tax burden as a share of this largest economy in our history is, in fact, the greatest in American history, eclipsing even the tax burden of World War II, when we were facing a death struggle with Nazi Germany and imperial Japan.

The need is clear. It is time to reduce tax rates which are placing a burden on our economy right now, which is the greatest since the largest war in the history of man.

Mr. Speaker, $2,000 that the average family of four will save because of this bill will go a long way towards setting this economy back on the path of economic growth and prosperity for every American.

Mr. Speaker, I want to thank the gentleman from California (Mr. THOMAS), chairman of the Committee on Ways and Means, for his leadership in bringing this bill to the floor and commend this bill to my colleagues who I know will vote in its support.

Mr. RANGEL. Mr. Speaker I yield 1½ minutes to the distinguished gentleman from Massachusetts (Mr. NEAL), a member of the Committee on Ways and Means.

Mr. NEAL of Massachusetts. Mr. Speaker, what we are essentially being asked to do today is this, to vote on what economic conditions are going to be like in 10 years. The gentleman from New York (Mr. HOUGHTON) had it right on target when he suggested that.

Let me take my colleagues back 10 years. What we were told that we had to replicate in America 10 years ago were simply Japanese management practices. If every businessman and businesswomen in America simply did what the Japanese did, we would be in great shape, and the prosperity would be just around the corner.

Who among us would argue that today? We were told we were going to have deficits for the next 25 years. Who would argue that today?

□ 1545

We were told by Paul Kennedy at Yale with his popular book 10 years ago that America's best days were behind; and it was widely read and on the best seller list forever. Who would argue that today? But yet we are being asked to do precisely that by projecting what economic conditions will be like a decade from now.

Then we are being told we better do this today so we can stimulate the

economy. The Senate is not going to take this up until spring or summer, but we are told it has got to be done today. Minimal debate. Shove it through. Ram it down the minority's throat.

Let me tell my colleagues what we are going to do with AMT. We are going to make the matter even worse today. Currently, there are 1.5 million taxpayers who are caught in the AMT net. Under current law, that increases to 20 million in 2011, some with incomes as low as $50,000. Because of the bill that we have before us today, 15 million more people are about to pay AMT over the next 10 years. The problem, cost, $292 billion.

Reject this sham today. We will offer a tax cut here. A reasonable tax cut targeted to middle-income Americans is where we should be headed.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Georgia (Mr. LEWIS), a member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, I rise today in support of the Democratic substitute. The Republican bill is not the way to go. It is going to take the country down the wrong road.

This whole thing is unbelievable. It is unreal. In my 15 years in Congress, I have never seen such a thing. We are now debating the first part of a $2 trillion tax bill, and we are doing it before we have a budget. $2 trillion is a lot of money, especially when it is based on an unreliable 10-year forecast. There are no assurances. There are no guarantees.

What if we are wrong? What if the surplus does not happen? The administration, the Republicans, somebody, somebody is not telling the whole story. They need to be honest with the American people, honest about the true cost of the bill, honest about what will happen if the surplus does not materialize, honest about what will happen to Social Security, to Medicare and other priorities. It is time to tell the truth, the whole truth, nothing but the truth.

The Republicans are playing with the numbers. It is deceptive. It is a sham. It is a shame. We should be paying down the debt, saving Social Security and Medicare, taking care of the basic human needs of all of our people.

The Republican bill is not right for America. It is not fair, and it is not just. I urge all of my colleagues to vote against it and vote for the Democrat substitute.

Mr. THOMAS. Mr. Speaker, it is my real pleasure to yield 2½ minutes to the gentleman from Louisiana (Mr. MCCRERY), a very valuable member of the Committee on Ways and Means.

Mr. MCCRERY. Mr. Speaker, I want to talk about debt, because we have heard from a lot of folks on the other side of the aisle that they are concerned about debt. They are concerned that this tax cut is too big; and because it is too big, we will not be able to pay down the debt that is going to be a burden on our children and grandchildren.

Well, I am glad they are concerned about the debt. It is about time. But the fact is that we have been paying down debt. The best way to gauge the level of debt held by the public is to compute that debt as a percentage of our national income, our Gross Domestic Product.

The Congressional Budget Office baseline, which assumes no tax cut, some spending increases and everything else going to debt reduction, tells us the debt in 2006, just 5 years from now, will be 9.4 percent of our national income, the lowest level since 1917.

Using that same baseline, but assuming we pass the President's $1.6 trillion tax cut, the publicly held debt in 2006 will be about 14 percent of our national income, again, the lowest our debt will have been since 1917.

Now, let us say that we give the President his $1.6 trillion tax cut and we spend the rest of the surplus except for that that is attributable to Social Security and Medicare. Well, the publicly held debt in 2006 would be 15.1 percent of GDP, the lowest level since 1917.

Well, let us say we will use only the Social Security surplus to buy down the publicly held debt. In 2006, it would be 16.6 percent of GDP, except for 1 year, 1929, the lowest level since 1917.

But in his address to Congress just last week, President Bush said he would like for us to pay down only $2 trillion of debt over the next 10 years. Well, where would that leave us? It would leave the debt at 21.5 percent of GDP, and that would be the lowest level since 1930. And that is counting the President's tax cut plus increased spending for education, the military, health research, and Medicare.

We have been paying down the debt. Even with the tax cut and increased spending over the next 5 years, our debt will be lower than it has been since 1930. Since 1930, we have lived through the great depression, World War II, the Korean conflict, the Vietnam war, the boom times of the 1980s and the 1990s, and it will be the lowest since any of that occurred.

We can afford a tax cut and pay down the debt. Let us do it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, about 2 weeks ago, our President stood right here and gave a very eloquent and moving address to the country, painting a canvas with a brush of statistics about two Americas, an American with surpluses and promise and hope, an America with too many deficits and failing schools.

So the question before this body today is: What do we do with those surpluses if they show up? Well Alan Greenspan has said urge caution on tax cuts, both on spending and on tax cuts. Let us make sure that we do not either spend our way back into deficits or tax our way back into deficits.

Secondly, this should be a fair process. According to the accounting firm of Deloitte & Touche, a millionaire with grown children gets a $47,000 tax break. A middle-class family with two children earning $55,000 gets $1,900. Let us work in a bipartisan way to get a real tax cut that we can afford that does not challenge our debt and paying down that debt and is fair to all Americans.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, I rise today with mixed feelings about the President's tax bill. Make no mistake, I am in favor of cutting taxes; and I support making our Federal tax code more fair. In fact, I have written legislation to reinstate sales tax deductibility. I support elimination of the marriage penalty and reform of estate taxes.

While it is important that we provide a tax cut, that tax cut must be passed within the context of a balanced budget. We must pay down the national debt. We must honor our commitment to Social Security and Medicare, and we must make important investments in education, health and defense. Those priorities must not be sacrificed in the name of a tax cut.

Under the President's plan, vital programs will have to be cut back, and let me give you a couple of examples: The Federal Emergency Management Agency and the Small Business Administration are right now in my district in Washington State helping people recover from a terrible, devastating earthquake. We must not cut programs to FEMA, to SBA and other critical investments. How many small businesses will not get support if we pass this excessively large tax cut. I support tax cuts, but the President's plan does not do the job the proper way. Support the Democratic alternative.

Mr. Speaker, I rise today with mixed feelings about the President's tax relief bill. Make no mistake—I am in favor of cutting taxes and I support making our federal tax code more fair.

I not only favor tax cuts and tax fairness, I have written legislation that will reinstate the sales tax deduction for citizens of states that do not have an income tax. I support relief for those penalized by the marriage tax. I support estate tax relief. I support tax cuts that will benefit each and every American. However, we in Congress have a duty to have an honest, thoughtful debate on the consequences of a tax cut as large as the one we are considering today, and that has not happened.

While it's important that we provide a tax cut, I feel strongly that such tax relief must be

passed within the context of a balanced budget—we must be able to pay down the national debt, we must be able to honor and strengthen our commitment to Social Security and Medicare, and we must be able to make important investments in education, health, conservation, and defense. These priorities cannot be sacrificed.

I also believe it is unwise for the House to pass a large tax cut before we pass a budget. It just doesn't make sense to talk about spending trillions of dollars on a tax cut before we have established a budget that takes into account both spending and revenues. No small business could operate that way; no family could sustain that kind of spending—and we in Congress shouldn't do it either.

As I said before, I support eliminating the marriage tax. I support changing the estate tax system. I want to restore fairness to the tax code by restoring the sales tax deduction.

But the bill before us makes none of those changes. And worse, I am afraid that passage of this bill will cause serious hardships for residents of my home state.

Under the President's plan, the Commerce Department, the Transportation Department, the Corps of Engineers and the Small Business Administration will all have to be cut back—some drastically—to pay for this tax bill.

The Federal Emergency Management Agency (FEMA), which was sent into action just last week in my district following a devastating earthquake, is one of those agencies slated for a number of deep cuts. Let me tell you, we cannot afford to strip down agencies like FEMA, because if your home or business is wiped out in an earthquake, I don't care how big a tax cut you get, you're going to need agencies like FEMA and SBA to be there to help you rebuild your neighborhood and to rebuild your life.

How many small businesses won't get the SBA loan they need to stay in business? How many construction projects will the Corps of Engineers have to defer or abandon because they don't have adequate funding to move forward? How many roads and bridges will fall into disrepair because we could not fund transportation projects?

For these reasons, although I support fair and reasonable tax cuts that would stimulate the economy, I must oppose the tax bill before us today.

Mr. Speaker, when we make a rush to judgment, we can place vital programs at-risk. When we spend $1.6 trillion or more without a budget to show us the impact of that spending, we place our nation's future at risk.

Vote no on this bill today and let's bring up a tax relief bill that we can all stand behind.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH), who is the Chair of the Progressive Caucus in the House.

Mr. KUCINICH. Mr. Speaker, we can be for tax relief, but it makes sense to see the budget first. The government should not spend money that it does not have and should not give away money it might need. I know there are some people with great resources who do not need public education, Social Security, Medicare, or prescription drug benefit. Some do not need these programs because they can take care of themselves.

Mr. Speaker, why give away 43 percent of the tax cuts to the top 1 percent when we may need that money for education, Social Security and Medicare needed by most Americans. Basic American fairness requires that we should give the most to the many. Under our alternative, millions of waitresses, mechanics, nurses, home health aides, teachers and factory workers would get about $300. Families would get between $600 and $800.

Mr. Speaker, that proud eagle above our heads spreads its wings to protect the entire Nation. It is not some bird to be plucked and stuffed and eaten by a few.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from North Dakota (Mr. POMEROY), a new, but valuable member of the Committee on Ways and Means.

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

The Rangel substitute represents a better way to proceed on getting tax relief to the American people, in sharp contrast to the majority bill which we know is step one of a series of measures committing all of the general fund surplus based on an optimistic revenue forecast stretching out 10 years. The Rangel bill is responsible; it fits within a framework that commits nearly a trillion dollars of the projected surplus to tax relief, but also recognizes there are other budget priorities like paying down the debt.

The majority bill backs off of debt retirement. It poses the prospect that we might dissipate the surplus now and leave the national debt behind for our children to take care of. The Rangel substitute focuses tax relief on middle-income families, and as a result, does a better job of giving them relief than the majority bill. It also gets relief to the millions of Americans who pay payroll taxes but earn at levels so modest they do not have income tax liability. They get nothing under the majority bill; they get relief under the Rangel substitute.

Mr. Speaker, a final strength of the Rangel substitute is that unlike the majority bill, it fully protects the Social Security and Medicare trust funds. Folks think the money they pay in payroll taxes and Social Security and Medicare ought to be used exclusively for those purposes, but only the Rangel substitute makes that so.

It is time for tax relief, and the Rangel substitute is the right way to do it.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SHAW), a very valuable member of the Committee on Ways and Means.

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

I have been sitting on the floor for the last few minutes, and I heard one Member say we cannot predict with absolute certainty what the economy is going to be, what revenue is going to be, what spending is going to be 10 years from now, and then from that come to a conclusion that the American people do not need a tax reduction.

If we are waiting for absolute certainty in our projections, the American people will never get anything back, but then what disturbs me most is a comment that was just made on the floor a few moments ago when one Member said the government should not give away money it may need. The government may not give away money it may need.

Mr. Speaker, this is the taxpayers' money. It is not the government's money. When the government has enough to operate and to pay down the debt and to act in a responsible way for the foreseeable future, it is our obligation to let the American taxpayers keep more of what they earn.

There are things that we do know with certainty. We do know that Federal taxes are at the highest level ever since peacetime. Americans work for more than 4 months just to pay their taxes. We know that with certainty. The typical American family pays more than 38 percent of its income in total taxes. We know that. On top of that, households are facing higher energy prices. My colleagues from the Northeast know that. The price of oil has doubled over the last 18 months. Manufacturing activity is at its lowest level since the 1990 recession. We know that. These are things we know and these are things that we have to operate on.

The Congress is not going away. We are going to be back year after year after year. The miracle of our democracy is that we are able to adjust to the times. We are able to adjust to current circumstances. We are able to adjust to our economy. Let us pass this tax bill. It is the taxpayers' money, it is not the government's money.

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Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, before we pass a series of tax cuts totaling over $2 trillion, we need to know what we can afford. The Republican plan is based on unreliable projections, no budget resolution, no administration budget.

Mr. Speaker, this is what a budget for the Federal Government looks like; yet what we have been given by the administration is this. Scarcely more than a long political pamphlet. In fact, it is skimpy compared to the budget of the State of Rhode Island. Mr. Speaker, perhaps the fuzziest of fuzzy math is to provide no numbers at all.

My colleagues, the President stood where the Speaker stands now and

asked us to think of a struggling unmarried waitress with two kids. Yet most waitresses, raising two children, get nothing under the President's plan. Not even a one cent insult tip is left on the table. The Democratic substitute provides such waitresses with $539 and leaves $1.5 trillion more to pay off the national debt by 2008.

Let us stand up for Social Security, Medicare, and fiscal responsibility, and vote for the Democratic substitute.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Vermont (Mr. SANDERS).

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

Mr. Speaker, the Republican proposal is grossly unfair and grossly irresponsible. At a time when millions of middle-class families are struggling to keep their heads above water, the Republican proposal provides 43 percent of the tax breaks to the wealthiest 1 percent, the people who need it the least, and 12 percent of the benefits to the bottom 60 percent of the people who need it the most.

Equally important, by providing a huge $1.6 trillion tax break, there will not be money available in future years to help us in Social Security, Medicare, Medicaid, veterans needs, and education. Can we afford a tax cut? Yes. It should be smaller than the President's, and it should be geared to the middle class and not the wealthy. Support the Rangel substitute.

Mr. THOMAS. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. HULSHOF), a very valuable member of the Committee on Ways and Means.

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

Mr. Speaker, in a few moments, I expect my colleague from Missouri, the Democratic leader, will be coming to the well of the House and closing on the Democratic alternative. I find it noteworthy that over the last 4 years we have had 12 occasions to debate a substantive tax relief measure, and these are the CONGRESSIONAL RECORDS from those debates. I note that my colleague from Missouri, who is likely to join us in a few moments, has spoken in opposition on each and every occasion save one. My good friend from Missouri has never met a tax cut that he did not spike.

I go back to the Taxpayer Relief Act of 1997, and we were in the midst of deficits. As we were debating as a body whether to create an education savings account, cutting the capital gains tax rates, putting into place the Roth IRA, here are the statements from my good friend from Missouri. Let me say this, and I am quoting from the RECORD, ''I am a tax reformer. I believe we ought to get less deductions and exemptions and special treatment. I think we need to get lower rates for everybody.'' Amen, I say, Mr. Speaker. Vote for H.R. 3. This is across-the-board relief, where the greatest reductions are going to those who pay in the lower income tax brackets.

Let us fast-forward a year to 1998, as we were considering the Taxpayer Relief Act of 1998. On that occasion the gentleman from Missouri argued against the bill primarily because of his concern about raiding the Social Security Trust Fund. Again I go to the RECORD: ''I am from Missouri. We have a saying in Missouri. Show me. Show me the trust fund.'' Well, we took that comment to heart as well. I think that everyone in this Chamber recognizes that this Republican majority has locked away every penny of the Social Security and Medicare trust funds and payroll taxes. What we are talking about in this tax relief measure today is the overpayment of income tax surpluses.

If the Chair would permit me one final example. As we were debating a year ago the tax relief measure, again I think the gentleman from Missouri, with his usual rhetorical flourish, came before us and cried foul about the Republican plan for tax relief, talking about needing to pay down the debt and pointing out that a family of four earning $50,000 a year would only receive a refund of about $250. Once again, we have taken those constructive comments to heart. We are making unprecedented progress on paying down the national debt. And when the President's tax plan is fully phased in, that working family of four making $50,000 a year, that the gentleman from Missouri defended so vigorously, they will see their tax bill reduced by $1,600 annually.

I suppose through these congressional pages the arguments against tax relief are myriad and numerous. And I suppose my colleagues could conjure up any number of reasons to vote ''no.'' Here is a compelling reason to vote ''yes'': it is not the government's money. On behalf of hard-working American taxpayers, I join with our President in asking for a refund, urging my colleagues to vote ''no'' on the Democratic alternative and ''yes'' on H.R. 3.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. LUTHER).

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

Mr. Speaker, Americans deserve to know the truth about the Federal budget, and they need to know that the surplus money, loosely being talked about, does not exist. In fact, what is occurring today are budget projections. That is what is being talked about.

As my colleagues can see from this chart, this shows the surplus projections from the nonpartisan Congressional Budget Office, that the current projection could easily be nearly $.5 trillion off in just 5 years. We have a tremendous opportunity here today. Let us not make the mistakes of the past, but rather let us use common sense and develop a national budget before we begin to allocate future projections for the next 10 years.

Let us change the way Washington operates today. Let us function like real families in the real world. Real families would not risk the future of this country with deficit financing like what was done in this country by this Congress just a few years ago.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. HOYER), a distinguished member of our delegation here.

Mr. HOYER. Mr. Speaker, welcome to the Great River Boat Gamble of 2001. Today our Republican friends are urging the American people to take a luxurious vacation into the tax cut casino. But let us remember, we have not even written our budget yet and do not have any idea whether or not we can afford it.

Everyone agrees that we ought to have a tax cut, and in 1997 I voted for that bill to which the gentleman referred. We need tax relief. It is clear from this fiscally irresponsible bill, however, that the GOP has not learned a thing from the mistakes of the past.

Twenty years ago, President Reagan assured America we could have it all, a huge tax cut, a major defense buildup, and a balanced Federal budget, which he guaranteed us in August of 1981 when he signed the tax cut. He said it would be balanced by October 1, 1983. We had about a $100 billion deficit that year alone.

George Bush, our current President's father, said that was voodoo economics. He was right. It is the taxpayers' money; and, my friends, the debt is also the taxpayers. Let us be responsible. Let us vote for the Democratic alternative. Let us make sense for America.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BONIOR), our distinguished minority whip, under the very restrictive time that we have.

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

Mr. Speaker, many of us here have served through a number of administrations. We have seen how each President has had his own agenda. But they all understood one thing, and that is that they could not ask Congress to make decisions about taxes unless they had a budget. It is a matter of fiscal responsibility. Yet this White House has decided that that rule does not apply to them.

Democrats, as we have heard, want to cut taxes. But what is the White House response when we point out the

President's scheme will cost over $2 trillion, or when we ask how they are going to pay for improving Social Security or education or Medicare, or when we ask how we are supposed to pay down the debt? Trust us, they say. They say trust us, the money is going to be there. Well, if I can paraphrase former President Reagan: it is good to trust, but it is better to verify.

It took years to pull ourselves out of the financial hole created by the last two Republican Presidents, and now this one is proposing that America jump right back into it. And for what, a tax cut that gives the richest 1 percent of Americans 43 percent of the breaks, while a waitress, who has maybe a couple of kids and is making $22,000 a year, gets nothing at all?

We can provide families with the tax cuts they have earned and still strengthen Social Security and modernize Medicare and provide for education and prescription drug care. That is what our substitute does. Our plan is backed by real numbers, not by empty promises. And unlike the President's scheme, it will not break the back, it will not burn up the surplus and plunge America deeper into debt. This country has been down that road before, Mr. Speaker. Why would we ever want to go back down that path?

I urge my colleagues to vote ''yes'' for the substitute by the gentleman from New York, and, if it fails, to vote ''no'' on final passage.

Mr. THOMAS. Mr. Speaker, I yield 2 minutes and 10 seconds to the gentleman from Texas (Mr. DELAY), the majority whip.

Mr. DELAY. Mr. Speaker, I have to say, that the Democrat leadership has no credibility when it comes to fiscal responsibility. They are the ones that were in charge and who drove up the debt.

They point to Reaganomics as the reason for the debt going up, but what they do not point out is that because of the Reagan tax cuts revenues went up twice, two times as much. The problem was that the Democrat-controlled House drove spending up three times as much. It is spending, stupid. It is spending that creates the deficit. It is spending.

And now, Mr. Speaker, the Democrat substitute amendment is a paltry half measure that falls far short of the important tax relief that the American taxpayers deserve and should demand from this Congress. But there is more at stake here than the simple math of reducing the unfair tax burden on the American people, and that is that taxes are simply too high.

Clearly, whenever the Federal Government runs a surplus, taxes are, by definition, too high. But our opponents would have us believe that a budget surplus only proves that the Federal Government is not spending enough. And listening to the debate this afternoon, we have been warned in a hundred different ways that the sky is going to fall if we simply allow the taxpaying American public to keep more of what they earn.

Let us just sweep aside all those empty arguments, because this debate raises a fundamental question: Will we let the Federal Government spend first and then stick the taxpayers with the bill? They want to spend the tax surplus; we want to let America keep it. Will we let the American people determine how high their taxes should be and then require the Congress to live within its means? That is how it works for every American family. That is how America runs its small businesses, and that is how the Federal Government should keep its books. Only in Washington do we spend the taxpayers' hard-earned money first and ask questions later.

Our opponents argue that we cannot offer tax relief because the budget for the next fiscal year has not been completed. But we have a surplus this year, and we want to help American families this year. We can do it, we should do it, and we will do it by allowing every American taxpayer to keep more of what they earn.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. HOYER) to correct the record.

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

Mr. Speaker, the majority whip has the same tired bogus argument. Let me remind my Republican friends that from 1981 to 1987 the Senate was a Republican United States Senate. Let me remind my friends, if they have forgotten, that Ronald Reagan was President of the United States. Let me remind my colleagues further that not one bill was vetoed by Ronald Reagan and had his veto overridden to spend more money. Not one.

So get rid of this bogus argument as to who upped the debt of this Nation.

Mr. RANGEL. Mr. Speaker, I yield 1½ minutes to the gentleman from California (Mr. BECERRA), a valued member of the Committee on Ways and Means.

□ 1615

Mr. BECERRA. I thank the ranking member for yielding me this time.

Mr. Speaker, we need a plan to cut taxes that will be responsible, that will be fair and will invest in our future. We would not be allowed to buy a house anywhere in America if we could not prove that we could pay that mortgage on that home. Yet today Congress is telling America, we can buy a house, we do not have to tell you where the budget is, nor do we have to tell you how in the next 10 years we will get the money. We just have projections and we will assume we will have the money. Now, if that is considered responsible, then you will see how we get back to those deficits that we had for years and years and years.

We finally have a surplus. Let us stick with those surpluses that we have and not get back into deficit spending. Is it fair? One in three California families with children will not get anything out of this Bush tax plan. Does it invest in our future? Well, there will not be enough money to strengthen Social Security and Medicare. There will not be enough money to invest in education. There will not be enough money to promote economic growth in our neighborhood and certainly there will not be the money to pay down the national debt which will be now hoisted on our children in the future who will have to pay for our sins and for our work if we pass this bill.

Let us be fair, let us be responsible, and let us invest in our future. Let us vote for the Democratic substitute and bring down the Bush tax plan.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 2½ minutes to the gentleman from Oklahoma (Mr. WATTS), the Conference chairman.

Mr. WATTS of Oklahoma. Mr. Speaker, I would encourage everyone to take off their Republican and Democrat caps here and just consider something. We tax the American people from the time they wake up until the time they go to bed.

When you get up in the morning and you go take a shower, you get taxed on the water. When you go and eat your breakfast, you get taxed on your food. When you go and put your clothes on, you get taxed on your clothes. When you get in your car and go to work and buy fuel, you get taxed on your fuel. When you go to work and punch the clock you get taxed on your income. When you come home in the evening, turn on the TV and you watch Fox News Network or Fox Sports Network or CNN or ESPN, you get taxed on your cable. And then you go and you fall to your knees at night, you pray to the true and living God, thank him for the day you have had, then you get off your knees, kiss your bride good night and you think that is free, but it is not. You get taxed. You have a marriage tax. Then if you say I am going to get out of all this and die, we still get you. We tax death. It is unfair.

The American people are overtaxed. What we are saying in this $1.6 trillion tax relief package, let us take six pennies that comes into Washington over the next 10 years and give it back to the taxpayers, give it back to the people that pay the bills in Washington and pay the bills at home. And then we are going to take 94 cents and put more money in education, build national defense, take care of Social Security, pay down the debt, which we have done over the last 3 years. When the Democrats were in control, I will remind my friends that for 35 years they paid not

one dime on the national debt. They spent the Social Security surplus. We protected that.

What is so bad about giving people some of the money back to help them buy groceries, pay the utility bills, help buy the kids school clothes, help pay for the car insurance? What is bad about that? What is bad about eliminating all of the marriage tax, to say we should not penalize people simply for saying ''I do.'' That is wrong. We should not penalize small businesspeople and people who own farms and pay taxes on them every year and then when they die, the government gets 55 percent of the farm. Why would we be supportive of that? What is bad about allowing people who have kids to not write off $500 per child, but $1,000 per child? What is bad about that? I do not understand this.

There are two philosophies here in play. One says we want to keep the money in Washington and spend it on Washington programs to create power for ourselves. There is another philosophy that says we want to take six pennies of every dollar that comes into the system and give it back to the American people. Vote no on this substitute and yes on final passage.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island (Mr. LANGEVIN).

Mr. LANGEVIN. Mr. Speaker, I rise today in strong opposition to H.R. 3 because it flies in the face of the disciplined approach to spending, commitment to paying down the national debt and responsible tax relief that I have always advocated.

In my home State of Rhode Island, the Republican plan will leave out an estimated 34,000 families and their 68,000 children because they do not have Federal income tax liability. A full 25 percent of Rhode Island's families with children would not see a cent under H.R. 3.

That is why I have cosponsored and will vote today for the Democratic substitute. I support a tax package that provides relief to everyone who pays Federal income or payroll taxes. This plan is fiscally responsible and offers immediate and fair relief for middle- and low-income families. What is more, the Rangel substitute will leave enough room for us to make substantial progress in paying down the national debt, a goal which should inform every aspect of our budget policy.

Therefore, I urge my colleagues to support the Democratic substitute and vote against the underlying bill.

Mr. Speaker, I rise today in strong opposition to H.R. 3, the Economic Growth and Tax Relief Act, because it flies in the face of the disciplined approach to spending, commitment to paying down the national debt, and responsible tax relief that I have advocated since I entered public service 15 years ago. Instead, as a co-sponsor of the Democratic substitute, I support a tax package that would give relief to those who need and deserve it the most.

As rosy as the budget surplus projections look now, it is important to remember that they are in fact only that: projections. We cannot assume that these projections guarantee a decade or more of windfall revenues, and such a rash conclusion could lead to our debt spiraling further out of control. A simple trigger mechanism would halt the implementation of tax cuts if the surplus does not materialize. This precaution would safeguard our budget against inaccurate projections, but H.R. 3 fails to include such commonsense protection.

I would also remind my colleagues that Congress is required to pass a budget resolution at the beginning of each year precisely because Members need to know what funding levels are feasible for a broad range of critical federal programs. Otherwise, Congress risks spending money the government does not have, which is exactly what will occur with the passage of H.R. 3.

Let us not forget that just recently we struggled with annual deficits of up to $290 billion, a national debt of $5.6 trillion, and interest-only payments on that debt of $300 billion annually. Put into perspective, those interest payments represented more than we were spending on Medicare, and almost as much as our entire national defense budget.

Retiring the national debt is a paramount concern that should inform every aspect of our budget policy. I want to be secure in the knowledge that our debt will continue to be reduced and our children and grandchildren will not have to shoulder the burden of our recklessness. In addition, paying down the debt will result in one of the best tax cuts we can provide to America's working families. Reduction and elimination of the debt will ensure low interest rates and a sound long-term economic future for the nation.

We all want to reward hard-working families by returning some of their tax dollars, but this cannot come at the expense of our nation's future fiscal well-being, nor should we adopt an approach that is so disproportionately skewed toward the wealthy. I have strong reservations about the size of the across-the-board tax cut included in H.R. 3 and the inadequate number of taxpayers who would benefit from it. Under this measure, an estimated 34,000 families with children, 68,000 children to be exact, in my home state of Rhode Island would not benefit from the proposed rate cut because they do not have federal income tax liability. In other words, 25 percent of Rhode Island families with children would not see a cent of the Republican tax cut!

While they would see no benefit from an income tax cut, these struggling families would still be required to pay the same payroll tax as wealthier Rhode Islanders, which is a significantly higher percentage of their income. For most families, the largest federal tax burden is their payroll tax, not the income tax. Furthermore, all families must pay state and local taxes—again, low-income families pay a considerably larger percentage of their income in such taxes than wealthier families. That is why H.R. 3 is not a tax cut for all but rather the few. And that is why I cannot support this bill in its current form.

Instead, I am cosponsoring the Democratic substitute with the Ranking Member of the Ways and Means Committee, because it is fiscally responsible and offers immediate and fair tax relief for middle- and lower-income families. This measure would create a new 12 percent tax bracket, give all Americans an across-the-board tax cut, and give those working families who pay only payroll and federal excise taxes a refund through expansion of the Earned Income Tax Credit. It also provides marriage tax penalty relief by doubling the standard deduction for married couples and leaves room in the budget for consideration of estate tax relief in the future. Most important of all, under our alternative, families with children who earn less than $65,000 will receive equal or larger tax breaks than under the Administration's proposal.

I ask my colleagues to consider all of our nation's needs. Without a doubt, taxpayers deserve relief. But they also deserve a strengthened Social Security system, a Medicare program that covers necessary prescription drugs, a military that is equipped to protect our nation, a quality health care system that is affordable and accessible to every family, and a world-class educational system that prepares our children for the 21st century. These needs are great and they must not be ignored. Because—at the end of the day—I refuse to look into the eyes of our elderly, our children, our soldiers and our working families and tell them that I traded their futures for those of the wealthy.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Speaker, here we go again, another round of voodoo economics and another huge tax cut for the rich. I encourage my colleagues to consider the terrible situation in my home State of Florida, where massive tax breaks for the rich have come at the expense of much needed services for the poor.

Yesterday, Florida Governor Bush called for even more tax breaks for the rich while continuing to neglect some of the most pressing issues facing Florida residents. The Bush tax cuts are like the Reagan cuts that devastated our economy with huge debts, skyrocketing unemployment and high interest rates. We have been down that road before and it took us 20 years to crawl out of that mess.

I would like to remind my Republican colleagues that the American people did not support the Bush plan. We would not be in this mess if the coup had not taken place in Florida. There is no mandate for the Bush plan. He did not win the election. And the majority of the people did not vote for this irresponsible action of this Congress.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. SPRATT), the ranking Democrat on the Committee on the Budget.

Mr. SPRATT. Mr. Speaker, in 1 minute this chart says it all. These are the reasons we cannot support this tax bill. It starts with the surplus, a blue sky surplus estimated at $5.6 trillion.

We then back out what everybody agrees we should back out, the surplus in Social Security, the surplus in Medicare. That gives us an available surplus of $2.527 trillion. And what is the cost of this tax cut? When we add debt service, associated debt service, and when we also add the cost of extenders we know will be provided and the cost of fixing the AMT, it is $2.3 trillion. That leaves $207 billion to cover other priorities and Social Security. It leaves no room for error, no room for other priorities, no room for Social Security and Medicare.

That is why we are offering a much more moderate substitute that is balanced and will provide for all of these things, including tax reduction.

Mr. THOMAS. Mr. Speaker, it is my pleasure to yield 3 minutes to the gentleman from Texas (Mr. ARMEY), the majority leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding me this time, and I want to thank the gentleman from California for his leadership as well.

Mr. Speaker, I have to say I chuckle at what I am hearing here today. Actually I am amazed. I am hearing all these reasons why we should not give people tax relief. Have we ever before heard so many reasons for not doing the right thing?

''It's too big.'' ''It's too soon.'' ''What's the rush?'' ''It's too risky.'' ''People don't want it.'' ''We can't afford it.'' ''You've got the cart before the horse.''

Beam me up, Mr. Speaker.

This bill, Mr. Speaker, is the least we can do.

The American people are paying the highest taxes in peacetime history. Families pay more in taxes than they do on food, clothing and shelter combined. We have had 15 years of tax rate increases and retroactive tax hikes. Americans now work 1 hour and 57 minutes out of each working day just to pay taxes to Washington. The American people are working hard. They produced these huge tax surpluses. They have earned some relief. They now deserve something, this year.

Mr. Speaker, this tax relief is the least we can do.

Mr. Speaker, the American people are nervous. They see the economy slowing, they see their neighbors losing their jobs, they see their 401(k)s and their mutual funds shrinking, while their energy bills double, triple and even, in California, quadruple. Their credit card debts are going up. They expect us to do something.

Mr. Speaker, this tax relief is the least we can do.

Over the next 10 years, taxpayers will be overcharged by a staggering $5.6 trillion. Even after paying down the payable debt, and funding all our priorities, Washington will still be awash in cash surpluses. If we do not get that money out of town, it will either be spent or it will be used to start buying into the private economy. Either way, the government will grow and personal freedom will suffer, unless we get our fiscal house in order now. We need to get that money out of Washington and in the pockets of the American people, and we need to do this as soon as possible.

And, Mr. Speaker, this tax relief is the least we can do.

Eight years ago, President Clinton raised taxes, retroactively. Two years ago, he vetoed $792 billion worth of tax reduction that would have stimulated this economy and would have helped to avoid the current malaise. He later vetoed marriage tax relief. He vetoed death tax relief. He even vetoed the repeal of the Spanish-American War telephone tax. And last year some in the House Democrat leadership actually opposed our bill to promote retirement savings, a bill that passed with over 400 votes. Obviously the Beltway liberal elites just do not want tax relief. They have delayed and obstructed long enough. The time for action, Mr. Speaker, is now.

And, Mr. Speaker, this tax relief is the least we can do.

But it is not all we should do. This is just the beginning. We are going to do a lot more. We are going to eliminate the unfair marriage penalty tax. We are going to eliminate the immoral death tax. We are going to promote retirement savings. We are going to help people afford health insurance. And as we fight for fairness, we should not be bound by some artificial number. We should do what is right for the American people. Because, Mr. Speaker, it is their money. They earned it. They produced it. It is theirs.

And this tax relief, Mr. Speaker, is the least we can do.

Mr. Speaker, some people here are saying, ''Enough already.'' Let me tell you, there is a whole lot more to come.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. GEPHARDT), a voice of reason, the minority leader of the Democratic Party.

Mr. GEPHARDT. Mr. Speaker, I rise to ask Members to vote against the tax bill offered by the Committee on Ways and Means and to vote for the substitute offered by the gentleman from New York (Mr. RANGEL). I arrive at that position for a number of reasons.

First, I think that it is wrong to be taking up a tax bill without a budget. In fact, without even spending a moment deciding what the budget will say. By assigning 900 and some odd billion dollars to a tax cut that this bill encompasses, we are making decisions that will make it difficult, or different at least, to make other decisions that we might want to make in the budget, how much debt we are going to pay down, how much we are going to assign to defense or education or health care or all the other functions that are in the budget.

□ 1630

So the cart is in front of the horse, and we should be waiting for this tax bill until we have considered the budget.

A second reason that I urge Members to look at the Democratic alternative is because the forecasts that are the premise of the context for this tax cut bill so often are wrong. In fact, CBO recently said that they are always wrong. Now, sometimes they are better than we thought they were going to be; sometimes they are worse.

The other day the weather forecasters said we were going to have a big snowstorm in the Northeast. A lot of us listened to that forecast. People decided not to fly. Flights were cancelled. Airports were closed. People stayed home from work. People went and got shovels and bought water and flour and bread. Then it did not snow. When it did not snow, none of us were surprised because often weather forecasts are wrong.

We are taking an action today, if we vote for this bill, that really leaves us less alternatives in case the forecasts are wrong. Why would we want to do that?

The third argument I would make is that the thing we have to keep most on our mind is what action can we take that will best help the economy, that will make the economy go forward?

I had lunch the other day with a very wealthy individual, and he said why are you doing this big tax cut?

I used a lot of the arguments that my friends on the other side of the aisle make, and that I believe and we all believe, and that is we have a big surplus and we ought to give taxpayer money back to taxpayers. That is the right thing to do. That will help the economy.

He said, yes, a tax cut of a reasonable size will be helpful to people, but he said remember the most helpful thing to all of us is keeping the economy working. Then he said, think about this: 1 percent off interest rates would pick up for an average family of four about $1,500 a year savings in car payments and house payments. If we add that to a reasonable tax cut, he said, maybe $800 a year, we are going to wind up putting more money in those people's pockets than by the larger tax cut that would probably keep interest rates up.

We have to keep in our mind that the goal here is to keep the economy moving, to keep unemployment down, to keep growth up, and one of the best ways to do that is to keep interest rates down.

So I argue today, think about what this does to the economy and to ordinary families in this country who pay interest rates every month.

Another reason that I think we need to reconsider this tax cut and to go for the smaller alternative is because it allows us to take care of other alternatives in the budget.

The President has talked very dramatically about what he wants to do in education. Query: Will we have the funds to do what he wants to do, what we want to do, in education? Will we be able to take care of Medicare and Social Security?

KEN CONRAD, the other day, made a very important statement. He said we could make a mistake on a tax cut in 1981 but we did not have $4 trillion in debt at the time and we did not have the baby boomers come into the Social Security fund 9 years from now. We all voted 2 weeks ago to put Medicare in a lockbox. The budget the President sent that encompasses the tax bill, part of which is on the floor today, invades the Medicare Trust Fund. The lockbox has already been picked if we vote for this kind of a tax bill.

Do we really want to do that? I do not think so.

Then there is the issue of fairness. If we are going to deliver tax relief, let us deliver it to the people who most need it. We have 12 million families in this country with 24 million children who will not get one red cent out of the Republican tax cut. They pay payroll taxes. They do not pay a lot of income taxes. Our tax bill, on the other hand, delivers real help to them.

Finally, let me simply say this: President Bush came just a few days ago to this Chamber. He came to Washington just a few weeks ago to be inaugurated, and he said he wants to be the uniter and not the divider. He said he wants to change the culture in this town; he wants to compromise; he wants to work with all parties and all people to put together compromise, bipartisan solutions to our problems. His rhetoric has been welcome. The American people want us to work together in the middle to get things done, but I must say with all due respect that this tax-cut bill, coming without a budget, is another my-way-or-the-highway approach to legislating in this Congress.

The President, my friends on the other side of the aisle, could easily sit down with the Democrats on the Committee on Ways and Means, and we could reach an honest compromise on taxes.

Everybody in this Chamber is for tax cuts. It is a question of how much they cost and to whom they go. Surely in the spirit of real compromise, we could come together and find an answer to this question that would get 400 votes on this floor today. We could do that. I believe that with all my heart.

So I say to my friends on the other side of the aisle, let us stop this approach to legislating. We are going to have a bipartisan retreat this weekend and we go in the spirit of trying to find bipartisan answers, but we cannot just be bipartisan in West Virginia. We have to be bipartisan in this building, and we have to work together and do the hard work of finding those compromises that we can both live with. We should have a tax bill on this floor today that gets over 400 votes. The American people would appreciate it, and I believe that it is what the American people told us they want us to do in the election of November. Vote against this bill. Vote for the Democratic alternative. Let us do better the next time.

Mr. THOMAS. Mr. Speaker, I yield the remainder of the time to the gentleman from Illinois (Mr. HASTERT), the leader of the House of Representatives, the Speaker of the House, who has decided with his leadership that there does not need to be another time.

Mr. HASTERT. Mr. Speaker, I rise today in support of the Economic Growth and Tax Relief Act of 2001. The name of this legislation is significant for two reasons. First, this bill promotes economic growth by returning money to the private sector, alias the American taxpayer.

Who among us can say that the economy does not need a little encouragement? Consumer confidence is down. Energy prices are up. Economic growth is stagnant. The economy needs a boost, and this tax relief will provide that boost.

It will give consumers more money to pay off credit card bills. It will give families more resources to pay off high energy bills, and it will give parents more money to pay for education expenses.

It will give the private sector more money so it can grow more.

Second, this tax bill gives taxpayers some relief also. Mr. Speaker, taxpayers need some relief. They need relief from the highest tax burden put on taxpayers since the end of the second world war.

Many of these tax incentives were put on taxpayers to help balance the budget. Well, the budget is balanced. In fact, we now have the largest tax surplus in our Nation's history. That means the American people are paying too much in taxes, giving too much of their money to the government and not enough money to their families. Now is the time to give taxpayers some relief.

I have heard criticism on this floor from some of our friends on the other side of the aisle and it is based on that we do not have the process right. Well, let me say, when we talk about process and we look at giving people a retroactive tax cut this year, I remember this year's budget, we passed it last year. We set aside 90 percent of that surplus, non-Social Security Medicare surplus, 90 percent of it, to pay down the debt. We took 10 percent of it to give people a tax break. Well, we passed tax relief out of this House and out of the Senate and we sent it down to the other end of Pennsylvania avenue, and President Clinton vetoed that.

We have $8 billion set aside in this year's budget to give people a retroactive tax break. We ought to do it. It is there. We owe it to the American people. It is the right thing to do.

I have heard that the argument is based on process and not on substance. Well, we need to look at substance. I know that many of my colleagues really want to be for tax relief, but for political reasons they are now opposed to it. Tax relief goes to the heart of what this country is all about. There are three things that can be done with a surplus. Some of it we need to spend. We are going to spend some money on education and defense and the needs of our people across this country. We are going to take some of that money, and as of September 30 of this year we will pay down $600 billion in public debt. We need to do that, but we need to take a fraction of that surplus and we need to give it back to the American people so that they have it in their pocket, so that they can make decisions how they are going to spend that money for their families and their future and education and the needs of their debt, their credit card debt.

I do not think we ought to let politics get in the way of taking care of the needs of the American people.

I remember in 1996 standing in this Chamber. In 1996, we were able to pass one of the first tax relief bills in a long time, almost over a decade. As we finished the business of the day and we went into special orders, I stood over there underneath the balcony and one of my colleagues who happened to be from Illinois on the other side of the aisle stood up and he was giving a very, very impassioned speech why we should not have tax relief for the American people; that we had a lot of responsibilities; we need to spend that money.

He made a statement and said, the American government cannot afford to give this money back to the American people. There was a fellow that stood right up there in that gallery and he came to the front of the gallery and said, ''What do you mean? It is our money.''

Well, Mr. Speaker, the guards came up and dragged that guy out and we never heard from him again; but I will say something, that that gentleman was right, it is their money. It is the money of the American taxpayers. They deserve some of it back. When we pay too much to Uncle Sam, he ought to give some back. Do not let politics get in the way of economic growth. Vote for this common sense tax bill. Vote for a growing economy and tax relief for the American people.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition of H.R. 3 which provides for only one amendment of this major piece of legislation. The Republican Leadership has

simply pushed this legislation to the floor with irresponsible tax proposals that will exceed $2 trillion. I must oppose this legislation which disproportionately and overwhelmingly benefits the wealthiest Americans.

Mr. Speaker, these tax cuts would go to one percent of taxpayers with the highest incomes—a group whose incomes have soared in recent years and have risen much more rapidly than the incomes of the rest of the population—and would exceed the new resources proposed for all other national priorities combined.

The bill reduces federal revenues by $958.2 billion over 10 years, and represents the first installment of President Bush's proposed $1.62 trillion tax cut plan, accounting for 60 percent of the total cost of the president's proposal. If enacted, Mr. Speaker, it would effect the first reduction in federal income tax rates since 1981.

H.R. 3 reduces and restructures federal income tax rates by consolidating, over a period ending in 2006, the five current rates of 15 percent, 28 percent, 31 percent, 36 percent and 39.6 percent into four rates—10 percent, 15 percent, 25 percent and 33 percent. The net effect of these changes, however, would have a number of adverse consequences for Americans.

For example, a third to one-half of children in many states live in families that would not receive any tax reduction from the President's tax proposal, according to a new analysis from the Center on Budget and Policy Priorities. In 12 states plus the District of Columbia, at least 40 percent of children live in such families. The analysis uses Census Bureau data to estimate, on a state-by-state basis, the number of families' whose incomes are too low for them to owe federal income taxes. The large majority of these families, however, work and pay payroll taxes and other taxes unaffected by President Bush's proposal. H.R. 3 reduces only income taxes and taxes on large estates.

This legislation simply is inadequate because substantial numbers of children in every state would not benefit from the President's plan. Some states would have especially high numbers of unaffected children. These states include my state of Texas (2.3 million children unaffected), California (3.7 million), New York (1.9 million), and Florida (1.2 million). In each of another eight states—Arizona, Georgia, Illinois, Michigan, North Carolina, Ohio, Pennsylvania, and Tennessee—families with at least half a million children would gain nothing from H.R. 3, the proposed tax plan.

Nationwide, an estimated 12.2 million low- and moderate-income families with children—31.5 percent of all families with children—would not receive any tax reduction from the Bush proposal. This funding is consistent with independent analyses conducted by the researchers from the Brookings Institution, the Urban Institute, and the Institute on Taxation and Economic Policy. The vast majority of the excluded families include workers.

The tax plan under consideration would squander all of the funds necessary for critical investments in the future. We cannot afford to forgo a surplus that needs to be used for education, prescription drugs, and ensuring the solvency of Social Security and Medicare.

For these reasons, I look forward to supporting the Democratic Substitute that provides immediate and fair tax relief for middle income families and is also fiscally responsible. A new 12 percent tax bracket would be created, thereby giving an across-the board rate cut for all Americans—but one which will overwhelmingly benefit middle income taxpayers.

The tax plan numbers contained in H.R. 3 just do not add up, and the surplus estimates that have been used are completely unreliable. Accordingly, I want to urge my colleagues to oppose H.R. 3 and support the Democratic Substitute that will be offered.

Mr. HONDA. Mr. Speaker, the Majority today is shortchanging middle and lower income families by giving $688 billion to the wealthiest 1 percent of Americans. Imagine if we gave $688 billion to the poorest individuals in our nation? Why does this budget seem any less extreme? Our budget surplus is money that belongs to the American people. Let us also remember that the deficits and damage that will be caused by this plan will belong to all of us as well.

Budgets are about choices. American families make these important choices every day as they plan for the future. On behalf of the American people I urge my colleagues to think about our budget as families think about theirs—as if the lives of your children depended upon it. Imagine if you had not saved for your retirement, that you owed money on your credit cards and you could not afford health insurance and then you came into some extra money that could pay off most of these obligations. Would you spend the money on a new sports car or secure your family's future by living up to your obligations? Fiscal discipline and common sense tell us that we must take care of these important obligations to secure the future of this great nation—we have no greater obligation to the families of the United States of America. For their sake, I urge all of you not to buy the sports car by voting for the majority plan and instead meet your obligations by voting for the prudent and balanced alternative.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to House Resolution 83, the previous question is ordered on the bill, as amended, and on the amendment in the nature of a substitute by the gentleman from New York (Mr. RANGEL).

The question is on the amendment in the nature of a substitute by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on any question incidental to questions on adopting the amendment.

The vote was taken by electronic device, and there were—yeas 155, nays 273, not voting 5, as follows:

[Roll No. 42]

YEAS—155

Abercrombie
Allen
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Berkley
Berman
Bishop
Blagojevich
Blumenauer
Bonior
Boswell
Boucher
Boyd
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Condit
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Filner
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Moran (VA)
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Pomeroy
Price (NC)
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Scott
Sherman
Slaughter
Smith (WA)
Solis
Spratt
Stark
Strickland
Tierney
Turner
Udall (CO)
Udall (NM)
Velázquez
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NAYS—273

Aderholt
Akin
Andrews
Armey
Bachus
Baker
Ballenger
Barr
Bartlett
Barton
Bass
Bentsen
Bereuter
Berry
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Brady (PA)
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clyburn
Coble
Collins
Combest
Conyers
Cooksey
Costello
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doggett
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Harman
Hart
Hastert
Hastings (WA)

Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoeffel
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lee
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
Matheson
McCrery
McDermott
McHugh
McInnis
McKeon
Meeks (NY)
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Pastor
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Roukema
Royce
Ryan (WI)
Ryun (KS)
Sanchez
Sandlin
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Traficant
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—5

Ackerman
Lewis (CA)
Shows
Skelton
Stupak

□ 1707

Messrs. MILLER of Florida, SIMMONS, TIBERI, NUSSLE, SERRANO, MEEKS of New York, and CONYERS changed their vote from ''yea'' to ''nay.''

Ms. ROYBAL-ALLARD and Mr. ORTIZ changed their vote from ''nay'' to ''yea.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

MOTION TO RECONSIDER OFFERED BY MR. BERRY

Mr. BERRY. Mr. Speaker, I move to reconsider the vote whereby the amendment in the nature of a substitute was rejected.

MOTION TO TABLE OFFERED BY MR. THOMAS

Mr. THOMAS. Mr. Speaker, I move to lay the motion to reconsider on the table.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion to table offered by the gentleman from California (Mr. THOMAS).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BERRY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 228, nays 197, not voting 8, as follows:

[Roll No. 43]

YEAS—228

Aderholt
Akin
Bachus
Baker
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis (FL)
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moore
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Snyder
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—197

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—8

Ackerman
Armey
Ballenger
Lewis (CA)
Sessions
Shows
Skelton
Stupak

□ 1716

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. STENHOLM

Mr. STENHOLM. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore (Mr. LAHOOD). Is the gentleman opposed to the bill?

Mr. STENHOLM. I most certainly am in its current form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. STENHOLM moves to recommit the bill H.R. 3 to the Committee on Ways and Means with instructions not to report the same back to the House before April 15, 2001 (the date set forth in section 300 of the Congressional Budget Act of 1974 as the date that Congress completes action on the concurrent resolution on the budget) unless Congress has completed action on the concurrent resolution on the budget for fiscal year 2002 before that date.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes on his motion to recommit.

Mr. STENHOLM. Mr. Speaker, this motion to recommit is very straightforward. It simply requires that we do what the law requires us to do, what any family or small business has to do, put in place a budget before we make decisions that will affect our Nation's finances for the next decade and beyond.

This debate is not about whether we should cut taxes. Everyone in this body agrees that the American people deserve tax relief. The Blue Dogs have repeatedly called for the largest tax cut we can afford that fits within the context of a fiscally responsible long-term budget framework.

Within an honest and responsible budget, we can eliminate the marriage penalty, provide estate tax relief for small businesses, family farmers and ranchers, and provide tax relief for every family across the Nation.

I wanted to provide tax relief through cuts in income taxes, but I also want to provide for cuts in our taxes for our children and grandchildren by eliminating the debt burden we have placed on them and leaving them with Social Security and Medicare programs that are financially sound.

But the folks I represent at home told me that their top priority for the surplus is paying down our national debt and strengthening Social Security and Medicare. They understand that the best tax cut we can give them is lower interest rates on their credit cards, car loans and mortgages by paying down the debt.

Last week, the President came to this very Chamber and spoke to us about his plans for our Nation's budget. I found myself in substantial agreement with most of what he had to say. I support many of the goals he outlined in his speech, including debt reduction, strengthening Social Security and Medicare, and tax relief for all Americans. I particularly appreciated his call for cooperation and civility.

Those of us in the Blue Dog Coalition have expressed our desire to work with the President, and we have given him our pledge to be honest brokers in dealing with the issues before this Nation.

I deeply regret that this bill is being rushed to a vote under a process that contradicts the spirit of bipartisanship that the President spoke about so eloquently last week.

Many of us spent many years working extremely hard in and casting many tough votes to eliminate the deficit and put us in the position to pay down the debt. I for one do not wish to squander the opportunity and return to the era when deficit spending placed a tremendous drag on our economy and ran up 5 trillion 700 billion dollars of national debt that is still with us today.

The budget blueprint the President submitted last week is the first step of the budget process. Now, those of us who were elected to represent our constituents in Congress have a responsibility and an obligation to thoroughly examine the details of the President's budget and have a full debate on the overall priorities as part of the regular congressional budget process before we vote on any individual elements of the plan.

The President's plan is an important voice in this process, but it is not the only voice. There are a lot of questions about how the priorities the President identified in his budget will add up without borrowing from the Social Security and Medicare Trust funds.

Likewise, many questions have been raised about what his budget means for other priorities, such as debt reduction, protecting Social Security and Medicare and deal with the needs in the areas of defense, education, health care prescription drugs, agriculture, and energy policy.

Some of us are concerned about enacting a tax cut based on projected surpluses, especially since over 70 percent of the projected surpluses will not even materialize until 2007 and beyond.

USA Today reported that the President's budget would slow down the path of debt reduction by almost $600 billion over the next several years.

Our insistence that Congress act on a budget resolution before voting on tax or spending legislation is not an argument about process or arcane budget rules; rather, it is about acting responsibly to balance priorities important to our constituents. Before we enact a tax cut, the American people deserve to know what the tax cut means for other priorities that are important to them.

I was one of the Democrats who supported President Reagan in 1981 when Congress passed a large tax cut before agreeing on the spending cuts to pay for the tax cut. The result was $4 trillion in national debt increase and increased spending of $600 billion in the 1980s alone on interest.

We cannot afford to repeat the mistake of rushing to cut taxes before considering how they will fit within a fiscally responsible budget. I lived through that experience where we allowed ourselves to believe words that sounded too good to be true. It pains me to think that we have learned nothing from our mistakes.

No family would make a major financial decision such as buying a new home without first sitting down and working out a budget to figure out whether they will be able to afford the mortgage and still meet household expenses and leave flexibility to deal with family emergencies in the future. We owe it to our constituents to follow that common sense approach to the Nation's budget by agreeing on a budget.

Mr. Speaker, Americans have become cynical of government because they are tired of politicians telling them one thing and doing another. By putting a budget in place first, Congress can ensure that it maintains fiscal discipline.

The SPEAKER pro tempore. Is the gentleman from California (Mr. THOMAS) opposed to the motion to recommit?

Mr. THOMAS. I am, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from California (Mr. THOMAS) is recognized for 5 minutes in opposition to the motion to recommit.

Mr. THOMAS. Mr. Speaker, as is the tradition on major pieces of legislation, we had the minority leader close on H.R. 3, and we had the Speaker be the final speaker. I hope Members were listening to what both the minority leader and the Speaker had to say. One of the phrases that struck my ear from the minority leader was as far as taxes are concerned, it appears that it is going to be my way or the highway.

Mr. Speaker, one of the difficulties we have with that is that when you look at this motion to recommit, it really seems that the line ought to be as far as permanent rate reduction is concerned, no way.

Let us look at the motion to recommit. It says that we have to send it back to committee and wait until the budget for fiscal year 2002 is completed.

Now I know that my colleagues on the other side of the aisle had trouble with a 7-page bill. It is 7 pages. But actually you only had to get to page 2. You only had to get to page 2. Look at line 17 on page 2, what does it say. On page 2, line 17 as far as rate reductions, it says, ''In case of taxable years beginning after December 31, 2000.'' Let us see. If it is after December 31, 2000, that means 2001.

What you heard the Speaker of the House say in the well is that we are currently in fiscal year 2001. If you are concerned about paying down the debt, then God bless you if you voted for the budget in 2001, because by the end of this fiscal year we will have paid down an additional $650 billion on the debt.

If you are so worried about the Medicare lockbox and the Social Security

lockbox, if you voted for the 2001 budget, you voted for the Medicare lockbox, and you voted for the Social Security lockbox. So guess what, if you want permanent rate reduction now, all you have to do is vote down this motion to recommit.

Vote H.R. 3. We have a budget in place. It is called this year's budget because if Members ever looked at the bill, it would have told them it starts now if they vote yes. Vote down the motion to recommit. Reduce taxes now, vote yes.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

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

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of passage.

The vote was taken by electronic device, and there were—ayes 204, noes 221, not voting 8, as follows:

[Roll No. 44]

AYES—204

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOES—221

Aderholt
Akin
Armey
Bachus
Baker
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Coble
Collins
Combest
Cooksey
Cox
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—8

Ackerman
Ballenger
Bishop
Kaptur
Lewis (CA)
Shows
Skelton
Stupak

□ 1746

Mr. LATHAM changed his vote from ''aye'' to ''no.''

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. THOMAS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 230, nays 198, not voting 5, as follows:

[Roll No. 45]

YEAS—230

Aderholt
Akin
Armey
Bachus
Baker
Barr
Bartlett
Barton
Bass
Bereuter
Biggert
Bilirakis
Bishop
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Castle
Chabot
Chambliss
Clement
Coble
Collins
Combest
Condit
Cooksey
Cox
Cramer
Crane
Crenshaw
Cubin
Culberson
Cunningham
Davis, Jo Ann
Davis, Tom
Deal
DeLay
DeMint
Diaz-Balart
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ferguson
Flake
Fletcher
Foley
Fossella
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (WI)
Greenwood
Grucci
Gutknecht
Hall (TX)
Hansen
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Issa
Istook
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Keller
Kelly
Kennedy (MN)
Kerns
King (NY)
Kingston
Kirk
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Manzullo
McCrery
McHugh
McInnis
McIntyre
McKeon
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Osborne
Ose
Otter
Oxley
Paul
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Pombo
Portman
Pryce (OH)
Putnam

Quinn
Radanovich
Ramstad
Regula
Rehberg
Reynolds
Riley
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Schrock
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Simmons
Simpson
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Tiahrt
Tiberi
Toomey
Traficant
Upton
Vitter
Walden
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—198

Abercrombie
Allen
Andrews
Baca
Baird
Baldacci
Baldwin
Barcia
Barrett
Becerra
Bentsen
Berkley
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Clay
Clayton
Clyburn
Conyers
Costello
Coyne
Crowley
Cummings
Davis (CA)
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank
Frost
Gephardt
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Kucinich
LaFalce
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Mink
Moakley
Mollohan
Moore
Moran (VA)
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Ross
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Schiff
Scott
Serrano
Sherman
Sisisky
Slaughter
Smith (WA)
Snyder
Solis
Spratt
Stark
Stenholm
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Turner
Udall (CO)
Udall (NM)
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu
Wynn

NOT VOTING—5

Ackerman
Ballenger
Shows
Skelton
Stupak

□ 1754

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of H.R. 3, the bill just passed.

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

There was no objection.

LEGISLATIVE PROGRAM

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

Mr. HOYER. Mr. Speaker, I yield to the gentleman from Ohio (Mr. PORTMAN) for the purpose of apprising us of next week's schedule.

Mr. PORTMAN. I thank my friend from Maryland for yielding to me.

Mr. Speaker, I am pleased to announce that the House has now completed its legislative business for this week.

The House will next meet for legislative business on Tuesday, March 13, at 12:30 p.m. for morning hour and 2 p.m. for legislative business. The House will consider a number of measures under suspension of the rules, a list of which will be distributed to the Members' offices tomorrow, Friday. On Tuesday, no recorded votes are expected before 6 p.m.

On Wednesday, March 14, and Thursday, March 15, the House will consider at least the following measures:

H.R. 223, the Clear Creek County Land Disposal Act,

H.R. 880, the Washington County Land Acquisition Act, and

H.R. 725, the Made in America Information Act.

Mr. Speaker, again I thank the gentleman for yielding. Of course many of us will be together at the bipartisan retreat this weekend. I hope I will see the gentleman there.

Mr. HOYER. I thank the gentleman. We are all looking forward to that opportunity, or at least some few of us are looking forward to that opportunity, hopefully more than the last.

In any event, Mr. Speaker, if I can ask the gentleman from Ohio another question. Ergonomics came up this week. As he knows, we were somewhat concerned because that had not been on the calendar and we expressed that concern.

Does the gentleman know of any possible items like that that might come up next week that are not noticed at this point in time that may or may not be up?

Mr. PORTMAN. We would expect no such major or what some might consider controversial provisions. That, of course, was waiting for the Senate to act. Once the Senate acted, we acted. There may be, it is my understanding, some other legislative activity that committees are still working to see whether some other things might come to the floor next week, but we would expect nothing along those lines.

Mr. HOYER. I thank the gentleman. One additional question. As he knows, we have been talking for some period of time now about the creation of a select committee on election reform.

Does the gentleman have any idea whether we might have a proposal on the floor for an equally balanced committee being appointed for the purposes of considering election reform?

Mr. PORTMAN. I am not aware of any legislation that would be on the floor next week in that regard, although I suppose it is possible. I know that the Speaker and the minority leader are in discussions with regard to the select committee on election reform, but I do not know that there will be anything on the floor next week nor do I think anyone on our side knows at this point.

Mr. HOYER. I thank the gentleman for his response. I would simply say that clearly this is a critical issue which I do not think is a partisan issue. I think there is not a Member on the House floor of either side of the aisle or our two Independents who do not believe that citizens ought to be encouraged to vote, facilitated in casting their vote and to having the technology available that will make sure that they count their votes. We focused on Florida, but as we have learned, this problem exists in many jurisdictions. It is not a partisan problem, it is in some respects a technological problem and in some respects election officials are not trained as well as they ought to be, not through any fault of their own but just we have not had the mechanisms to do that, to reach out and to make sure that citizens have access to the polling places.

I know the Speaker is focused on it. I know the minority leader is focused on it. I hope that we could accomplish this in the short term so that we might effect reforms prior to the next election. That is our concern about timing.

I would be glad to yield to the gentleman for any comments he might want to make.

Mr. PORTMAN. Mr. Speaker, I wholeheartedly agree with what the gentleman said with regard to the need to take a look at our election systems. I know that the leadership on this side concurs with that. The hope is that we can soon move forward with a select commission in that regard.

Mr. HOYER. I thank the gentleman for his comments.

□ 1800

RANKING OF MEMBER ON COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. PORTMAN. Mr. Speaker, I offer a resolution (H. Res. 85), and I ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore (Mr. LAHOOD). The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 85

Resolved, That on the Committee on Transportation and Infrastructure, Mr. Pombo shall rank immediately after Mr. Moran of Kansas.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO MONDAY, MARCH 12, 2001

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

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

There was no objection.

HOUR OF MEETING ON TUESDAY, MARCH 13, 2001

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, March 12, 2001, it adjourn to meet at 12:30 p.m. on Tuesday, March 13, for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

APPOINTMENT OF MEMBERS TO JAMES MADISON COMMEMORATION COMMISSION

The SPEAKER pro tempore. Without objection, and pursuant to section 5(a) of the James Madison Commemoration Commission Act (P.L. 106–550), the Chair announces the Speaker's appointment of the following Members of the House to the James Madison Commemoration Commission:

Mr. GOODLATTE of Virginia;

Mr. CANTOR of Virginia.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PENCE). Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

AMERICA'S VETERANS ARE ENTITLED TO THEIR DAY OF CELEBRATION AND REMEMBRANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PLATTS) is recognized for 5 minutes.

Mr. PLATTS. Mr. Speaker, I rise today to speak on behalf of over 1.3 million veterans in Pennsylvania and to express my strong opposition to legislation which I consider an affront to the heroic service to our Nation.

As introduced, H.R. 62 would move Veterans' Day to election day in Presidential election years. The intended purpose of this legislation is to increase voter turnout by establishing election day as a national holiday in conjunction with Veterans' Day.

Although I agree action needs to be taken to help convince our Nation's citizens to take a more active role in the political process, this particular solution troubles me. I believe we need to take necessary steps to increase voter awareness and participation, but depriving our veterans of the day set aside historically to honor their sacrifice is not the way to do it.

By designating November 11 of each year as Veterans' Day, we give thanks and pay tribute to the soldiers who fought and gave their lives to preserve the freedoms we know today.

In 1918, at the 11th hour on the 11th day of the 11th month, the Treaty of Versailles was signed between the Allies and Central powers to end the fighting of World War I, the war to end all wars. In the years immediately following 1918, memorial gestures were made on that day worldwide. In 1926, Congress passed legislation to commemorate this date with, quote, ''thanksgiving and prayer and exercises designed to perpetuate peace through goodwill and mutual understanding between nations.''

In 1938, Congress officially designated November 11 as Armistice Day. It was a day to honor the bravery of our veterans and celebrate the cause of world peace.

In 1954, one of our greatest veterans, President Dwight Eisenhower, declared Armistice Day as Veterans' Day so that all Americans would, quote, ''solemnly remember the sacrifices of all those who fought so valiantly to preserve our heritage of freedom.''

Mr. Speaker, I give this brief history of Veterans' Day because it serves as proof that November 11 was not randomly selected as a day on which to honor veterans. Moving Veterans' Day, even if it is only once every 4 years, does a great disservice to our veterans and the freedoms for which they fought so hard to secure and defend.

Congress learned its lesson on moving Veterans' Day once already. In the 1970s, Congress moved Veterans' Day to the Monday closest to November 11 to allow for a 3-day holiday weekend. The movement of Veterans' Day was met with so much outrage that President Ford returned the observation of Veterans' Day to November 11.

Mr. Speaker, I have heard from countless individuals in my district that are outraged that legislation is once again pending before Congress to move Veterans' Day. These citizens, veterans and nonveterans alike, do not understand why their government wants to diminish the opportunity of this Nation to remember the sacrifices of our veterans. Veterans and the families of those who have given the ultimate sacrifice certainly do not understand why Congress would even consider legislation that would lessen the tribute paid to our brave sons and daughters who have served in all branches of our armed services.

In my opinion, we should not diminish the observance of Veterans' Day. On the contrary, we should be promoting the reason we mark this day. There are over 26 million veterans in this country, including nearly a half million who are permanently disabled. The Veterans Administration estimates that we are losing approximately 1,100 veterans a day. It is extremely important that we not only remember their service but honor it as well.

The best way to do that is to pass meaningful legislation which will improve benefits and ensure that every veteran has access to the best health care possible. It is imperative that we demonstrate our commitment to those who served us with dedication and valor.

Mr. Speaker, let me reiterate that I stand ready and willing to work with my colleagues to find ways to get more of our citizens to the polls, not just in Presidential elections but in all elections.

However, we must not attempt to solve the problem of voter apathy by showing disrespect to our fellow citizens who have gone into harm's way on behalf of our great Nation. Our veterans have fought courageously to secure and preserve the freedoms we enjoy today. Without the efforts of our heroic veterans, our citizens would not have the right to vote.

Our veterans have fought, and many have died, so we can live in a county with free and fair elections, a country where even in an election as close as the last Presidential contest, the winner is decided by the rule of law, and not with violence.

Mr. Speaker, our veterans have fearlessly put their lives on the line for this country. This country can surely give them their own day of remembrance. Veterans' Day is and always should remain November 11. I for one pledge to do my utmost to preserve this day of recognition for our patriotic men and women of our armed services.

THE TROJAN HORSE STRATEGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, I regret that the leadership, the Republican leadership, saw fit to have such a limited debate on a $2 trillion tax cut today. Basically, it worked out, for the portion of the tax cut adopted today, to about $5 billion a minute. I was one of many Members who is not a member of the Committee on Ways and Means who did not have an opportunity to speak and give my reasons for opposing this tax cut so I am going to lay them out now, because we know that this is not the end of the debate.

The Senate will not even take this bill up until late this spring, if then.

Now first, the tax cut is predicated upon a wish, a dream, a projection, a prediction, a prediction. Now, remember all the economists 10 years ago said we see deficits as far as the eye can see, huge and growing deficits. We were supposed to have a $400 billion deficit this year, but here we are fighting about how to spend the surplus. There is an actual real surplus this year. How long will it last? What are the assumptions behind it?

This is a very interesting chart which comes from the official Congressional Budget Office chaired and headed up by a Republican appointee. This is what we are predicating a $2 trillion tax cut on. These are future projections. If one notices, there is a little bit of uncertainty here. In fact, when we get to the year 2006, according to the official projections of the Congressional Budget Office, we could be running anything from a $100 billion deficit to a $1.1 trillion surplus, but today the Republican leadership locked into place tax cuts that are going to spend this surplus even if it does not exist, and they did it under the rationale it is a stimulus for the economy.

Now remember, the tax cuts do not even begin until next year. Well, they added a little bit for this year.

Mr. Speaker, 1/100th of 1 percent of the GNP will be devoted to a so-called retroactive tax cut this year; minuscule amount, totals just tens of dollars, for most families, $15 or $20. Yet what they have done here is begun the same strategy that fooled this Congress before I served here in the early 1980s, the Trojan horse strategy. Dress it up, get it inside the gate and then out pops a big surprise.

The big surprise is most likely to be a return to huge and growing deficits a few years out.

No, we should base tax cuts on actual surpluses received, not on projections by pointy-headed economists who are wrong a lot more times than they are right. If they can project the economy 10 years out, they would not be working at the Congressional Budget Office for a government salary. They would be living on their private island somewhere if they had that much knowledge about the future of our economy, and even they, with this chart, admit they really do not have a clue.

So this Congress is being incredibly irresponsible in locking in place those tax cuts now heavily weighted toward people who earn over $329,000 a year, on the bet that these surpluses might exist or maybe knowing that the surpluses will not exist and not really caring that we could return to the huge days of deficits.

Now, this is reality, folks, right here. This is reality. The United States of America's debt, that is black and white. We owe that. Every American from the tiniest baby to the oldest senior citizen owes a share of that, and if we divided it up equally it would be over $20,000 per person.

They are going to not even address that as effectively as the budget last year. They are proposing under their optimistic projections to leave a much bigger debt for future generations, not to reduce it as much. Under a worst case scenario, they are going to increase that debt and leave it as a gift or a burden to future generations. That is irresponsible.

I have supported the plan to do one-third, one-third, one-third, once we have a surplus in hand. One-third to reduce the debt, and if these wild projections come true we could pay off the debt in 12 years; one-third to invest, to invest in education, in infrastructure. I just got a report today from the National Society of Civil Engineers. We have a $1.3 trillion shortfall in infrastructure. Our infrastructure is crumbling over the next 5 years. That is about what they are spending here, betting that we are going to have these surpluses. We could be investing it. We could be investing it in education.

Then finally, yes, let us have responsible tax relief. There was an alternative today. I voted and proposed other alternatives in the past. A tax relief based on reality, targeted at those who carry the heaviest burden, and that is middle-income families and lower-income families. When we look at the burden of the FICA tax, about more than half of American families pay more in Social Security taxes than they do income tax, they will get no relief under this proposal, even if it puts us massively in debt for the future. This was not a proud day for the United States House of Representatives.

□ 1815

INTERNATIONAL WOMEN'S DAY AND THE UNITED NATIONS POPULATION FUND ACT OF 2001

The SPEAKER pro tempore (Mr. PENCE). Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay special tribute to women around the world for being honored on International Women's Day. International Women's Day, today, recognizes the achievements and successes of women around the world. It is also a day on which we work to advance the status of women everywhere. This is why I, along with my colleagues, the gentleman from Illinois (Mr. KIRK); the gentleman from New York (Mr. CROWLEY); and the gentleman from Iowa (Mr. LEACH), and over 60 original cosponsors, we are announcing that we will introduce our bill, the United Nations of 2001 on this important day.

This bill will help save the lives of millions of women and children around the world and will work to bring equality to all people by restoring funding for UNFPA. Equal rights and equality for all people is crucial, whether they live in sub-Saharan Africa or Southeast Asia or the United States.

Over the last 20 years, we have seen a commitment from countries around the world to honor women's rights, and women's voices are finally beginning to be heard. However, this success and the many others we have had is overshadowed by the millions of women around the world who do not even have the most basic rights. There are more than 600,000 women who are dying each year because of complications from pregnancy and childbirth. The inequality of girls and women around the world is real, but there are very real steps we can take to work together toward equality. Over 182 nations support funding for UNFPA, and the United States should likewise support it.

We know that UNFPA works, that it saves lives. Each day we in Congress are confronted by many challenges for which we do not have answers: the answer to global warming, to the AIDS crisis, to Alzheimer's and Parkinson's. But we know what to do to save the lives of women around the world, and that is to fund international family

planning through the United Nations Population Fund.

UNFPA has been and continues to be a leader in the renewed commitment of the world community to stabilize global population and improve the status of women. UNFPA is the world's largest internationally funded provider of family planning and reproductive health services. UNFPA serves women, children, and families in 160 developing countries around the world where health care structures are fragile and unable to address the specific health needs of mothers and children.

By funding UNFPA this year, in 1 year alone, 870,000 women will not be deprived of effective contraceptives; more than 520,000 women will be provided with health care support; and there will not be 500,000 unwanted pregnancies. There will not be 1,200 additional maternal deaths, 22,000 additional infant deaths, and 15,000 additional life-threatening illnesses and injuries to mothers during pregnancy and childbirth.

So, on this day, March 8, International Women's Day, I am proud to introduce this bill, which will help bring equality to women everywhere and certainly help save lives.

POWER IN WASHINGTON OR POWER AT HOME?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, about this time, President Bush is landing in the Dakotas for his first visit to my part of the country. He is landing in Fargo tonight and will be proceeding to South Dakota tomorrow. I think it is significant, Mr. Speaker, that as he makes that landing there, that today we have passed the cornerstone of his tax plan: reduction in marginal rates and real tax relief for working families in this country.

Mr. Speaker, this is the start of what I think will be a great debate to have in this Congress, and that is, who has the power? Does Washington, D.C. have the power, or do the American people have the power? Because the more of this that Washington takes from the American people, the less they have to spend. The more of this that Washington takes, the more power Washington has, and the less power the American family has.

Mr. Speaker, this is a debate about whether we want to consolidate power in Washington or whether we want to distribute power back to our families, individuals, and communities. We have heard a debate today about whether or not to spend the surplus, and our friends on the other side have raised concerns about whether or not we ought to be proceeding down this track. Well, Mr. Speaker, the same people who are making that argument have no such constraint when it comes to spending the surplus on new government programs. That is an entirely different argument that they make.

If we look at the arguments that are made by the opponents of the President's proposal, they really revolve around a couple of basic points. One is that it is too big in the actual size of this tax cut. Well, Mr. Speaker, if we look at it in terms of actual size as a percentage of the total surplus, it is about one-quarter of that surplus, or 6 percent of government revenues over the course of the next 10 years. So in terms of actual size, I would argue, Mr. Speaker, that it is a very responsible number in that it recognizes the commitment that we have to protecting Social Security and Medicare, paying down the Federal debt, and making those necessary investments that are critical to our future, and at the same time, it allows us to get some of that money back into the hands of the American people.

What about the proportional size of this tax cut? Well, if we look at it relative to previous tax cuts, during the Reagan administration, during the Kennedy administration, it is about half the size of the Kennedy tax cuts, and about one-third of the size of the Reagan tax cuts, as a percentage of the gross domestic product and also as a percentage of total government revenues. So proportionally, Mr. Speaker, I would argue as well that this is a balanced and responsible way to go about giving the American people more of their hard-earned money.

Well, the other question is, what about spending? Are we going to be able to have those resources that are necessary? Mr. Speaker, the President's proposal sets aside $1 trillion for contingencies. I care about agriculture in my part of the country. The President has said we recognize there are going to be emergencies that are necessary to come up with additional dollars. So he has accounted for that in the form of a contingency fund of about $1 trillion. Government spending is going to increase 4 percent this next year on the discretionary side; that is the part that the Congress appropriates, and if we add in the total amount of entitlement spending combined, it is about $100 billion over this year's funding levels. That is a significant amount of additional spending. Four percent is higher than the proposed rate of inflation for this next year.

So, Mr. Speaker, I would also say that if we look at it in relative amounts and what it does to allow us to continue to make the investments that we need to make, this plan enables us to do that.

The other argument that is often made, Mr. Speaker, and if we listen to the grim reapers and the prophets of doom, is that the Reagan tax cuts led to the deficits. The fact is, that is not true. After the Reagan tax cuts in 1981, government revenues went up, but the rate of spending exceeded that. Congress could not control, curb, its appetite to spend those dollars; and that, Mr. Speaker, is what led to the deficits during those years. In fact, if Congress had been able to control its spending and only spent at a rate of 5.6 percent average increase per year between 1981 and 1991, the budget would have been balanced in 1991, instead of just a few years ago.

So as we engage in this debate, Mr. Speaker, I hope the American people will listen clearly and understand that this is a great day for the American taxpayers. I am proud to be able to vote in favor of allowing them to keep more of their hard-earned dollars. It is good for the American taxpayers, it is good for the people of South Dakota, and tomorrow will be a day of celebration as the President makes this stop in my great State; and I hope that we will be able to welcome him and deliver to him a message that we care about the people of this country, about the taxpayers, and about giving them more freedom and more liberty.

PROUD TO SUPPORT THE ECONOMIC GROWTH AND TAX RELIEF ACT OF 2001

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GRUCCI) is recognized for 5 minutes.

Mr. GRUCCI. Mr. Speaker, I rise today proud to have supported the Economic Growth and Tax Relief Act of 2001. With an economy sputtering, the time is now for us to act proactively and implement a reasonable and fair tax relief package that will benefit our hard-working, middle-class families and small businesses.

In New York's First Congressional District, where the cost of living is higher than in many regions of our Nation, the Economic Growth and Tax Relief Act of 2001 will jump start our local economy and put the money back where it belongs: in the pockets of the taxpayers. They created the tax surplus; they should get it back.

This much-needed tax relief will be put to better use by offsetting costs for our families, costs like a college education for a young person, a mortgage payment, or they will be able to support our small businesses and our local economy. Those middle-class working families earning $50,000 will see a $1,600 tax cut in their taxes. That is a 50 percent cut. A family of 4 earning $35,000 would see 100 percent tax cut. Now, that is fair. And that is reasonable tax relief, and that is real tax relief for middle-class working families.

In addition, this tax package will leave more money in New York State.

New York already contributes about $17 billion more in taxes to Washington than it gets back.

The Economic Growth and Tax Relief Act of 2001 will cut that deficit by $9.7 billion. As a former town supervisor, I know firsthand how reasonable tax relief can help families and local economies create thousands of new jobs, provide essential services, and still maintain a multimillion dollar annual surplus. The hard-working, middle-class families of Long Island's First Congressional District and throughout our Nation should have their tax dollars back. We have accomplished this while we protected and locked away Social Security and Medicare funds and reduced our national debt by a historic rate.

IRRESPONSIBLE TAX CUT MEANS SERIOUS REPERCUSSIONS FOR ESSENTIAL GOVERNMENT PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. BROWN) is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, here we go again, another round of voodoo economics, and another huge tax cut for the rich.

Passing this $2 trillion tax cut before voting on the budget is irresponsible and will jeopardize the future of Social Security, Medicare, and public education. This bill is like taking a vacation before you pay your rent and utility bills.

I encourage my colleagues to consider the terrible situation in my home State of Florida where massive tax breaks for the rich have come at the expense of much-needed services for the poor, year after year after year. Yesterday, Florida Governor Jeb Bush called for even more tax breaks for the rich while continuing to overlook the most pressing issues facing Florida residents, for example, a $1 billion hole in the Medicaid program that funds health services for poor pregnant women, children, the elderly, and the disabled; a school crisis that includes teacher retention problems and budget cuts that eliminate some of the most innovative teaching programs; a senior population whose health care is at risk because they cannot afford to pay for their prescription drugs; and the Nation's oldest veterans' population with nowhere to bury them with the dignity they deserve.

Mr. Speaker, mark my words. The rest of the country will face the same problems we have in Florida if President Bush's tax cut becomes a reality. The Bush tax cut is like the Reagan cuts that devastated our economy with huge debts, skyrocketing unemployment, and high interest rates. We have been down this road before, and it took us 20 years to get out of this mess that the Reagan tax cuts put us in.

One of the immediate effects of his plan was the homeless problem. By cutting housing and community-based programs, Reagan eliminated the most critical programs for the people at the bottom of the economic ladder. As a result, this country witnessed record numbers of homeless people, and our deficit grew by leaps and bounds. We will see the same problem with health care and senior programs if these tax cuts are allowed.

My constituents do not deserve to relive this nightmare again. I would like to remind my Republican colleagues that the American people did not vote for the Bush plan.

□ 1830

We would not be in this mess if the coup had not taken place in Florida. There is no mandate for the Bush plan; I can tell my colleagues coming from Duvall County, where 27,000 votes were thrown out, 16,000 of them African Americans, 16,000 African Americans, 27,000 votes thrown out.

The sad thing is that this election is not about a few hundred votes. It is about thousands of votes, thousands of votes that were thrown out in the State of Florida. We must commit ourselves that this will never happen again in this history of this country. The last time it happened was in 1877, and Florida was involved in that coup also.

Mr. Speaker, a lot of people think it does not matter what party is in charge. Clearly, today it is an example of it does matter what party is in charge. The parties are not all the same. Some look out for the wealthy and the others look out for the working people and the poor people of this country.

I am happy to be a party of that party, that cares about Medicaid and education and looks at it as investing in our future and not doing away with the surplus, that we take most of it out of health care, health care.

I tell my colleagues it is not a free ride in this country, and the American people, we will fight this fight again and we will welcome President Bush Monday when he comes to Florida.

INTERNATIONAL FAMILY PLANNING AND HIV/AIDS

The SPEAKER pro tempore (Mr. PENCE). Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, today is International Women's Day. Women of the world have very little to celebrate. Tragically, the new President withdrew family planning counseling across the developing world, where family planning had begun to have a structural effect on life for men, women and children.

The average family size where people have had access to family planning assistance has been reduced in a very short period of time from six to four. Now, we see the closing of clinics.

Mr. Speaker, what troubles me most this evening is the effect on the spread of AIDS. Just this week, we learned that India is about to experience the same tragedy that has overtaken Africa, as AIDS spreads like wildfire across the Indian continent.

When we in this country think of AIDS, we think of it as a male disease, but worldwide, 50 percent of those or almost 50 percent of those with AIDS are women. Seven percent of the people with AIDS are in sub-Saharan Africa. Ninty-five percent of the AIDS worldwide are orphans. Eighty percent of women with AIDS worldwide are in sub-Saharan Africa.

If this epidemic moves, as it now seems to be, to India, what we will be seeing is the engulfing of continents where most of the world's people live with AIDS. How do we stop that? We know that the drugs, the expensive drugs, are simply not going to millions upon millions of poor people.

Family planning is a preventive low cost way, not only of planning family size with all of the effects that has on development, but it is a way to stop the spread of this deadly disease. Integration of AIDS treatment and detection and prevention with family planning is a critical way to go at this epidemic.

In the same place, counseling for family planning, counseling about AIDS prevention can be the most essential one-stop health service in the world today. It eases significant costs.

And perhaps most poignantly, we can begin to prevent mother-to-child transmission of AIDS, the most tragic consequence of this epidemic.

Did we know that girls, little girls, are far more likely to become infected than little boys? It is probably because it is far easier to take advantage of little girls.

Preventing AIDS and controlling childbirth must take place in the same orbit and in the same place. We, of course, have made that much more difficult at a time when we should be embracing ways to conquer the AIDS epidemic.

On this International Women's Day, I call upon the administration to look for ways to increase both AIDS funding and family counseling. Family planning counseling, and certainly the availability of contraceptives, the way we have thought necessary in this country, the double standard that we have used to make contraceptives available here but deny it in developing countries is having tragic effects well beyond anything we imagined.

This evening I cannot stand here and say that there is an answer to the world spread of AIDS. I can say that

this country has within its grasp the tools to keep this epidemic from completely overwhelming developing countries.

Mr. Speaker, if we do nothing else this International Women's Day, I ask that we think about women in the Third World who have been abandoned by our contraceptive counseling policy, and I think we, at best, have an obligation to think seriously about how to make our way back to the inroads we were beginning to make.

RADIO FREE SPEECH IS BEING DENIED IN NEW YORK CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, tyrants in control of totalitarian countries like China, Serbia and Iraq consider control of the airwaves an absolute necessity. They ruthlessly enforce censorship of a kind few of us can imagine in America.

Last Monday, however, I had the weird and frightening experience of being gagged by a radio station manager in my own home City of New York. It started with a routine request that I call in for a phone interview on a show hosted on Radio Station WBAI by Ken Nash which focuses on union and labor news and features.

The name of the show which commences at 2 p.m. was Building Bridges. As the ranking member on the Subcommittee on Workforce Protections, I welcome the chance to appear on shows related to working families or unions.

It is important to note that Radio Station WBAI is a nonprofit station. It runs primarily on contributions solicited from its mass of diverse listeners. Since last December, this station has experienced considerable turmoil internally and long-term producers and hosts have been fired or locked out of the station.

Like many New Yorkers, I am concerned about the present and future of this vital outlet for free speech on the radio. Without knowing all of the specific tensions and confrontations within the station, I have indicated my interests in working towards the resolution of the problems hampering the continuation of the unique and robust programming of WBAI.

It is important to note that I am presently seeking ways to get more avenues opened for radio free speech in my city in general.

Five low-powered Haitian stations have been shut down. The survival of WBAI is vital for the entire movement seeking more access to the airwaves. The bully monopolies of commercial radio provide the continuing roadblocks to these stations. My knowledge of the reputation of certain recent appointments to the board of Pacifica Network, which is the parent nonprofit institution responsible for WBAI, leads me to conclude that there is a clear and immediate danger that attempts will be made to sell WBAI to a commercial owner. Such a sale would mean the loss of a vital voice for working families in New York City.

My beliefs and point of view are considered heresy by Station Manager Utrice Leid. Without explanation or apology, she shut down the microphones and proclaimed that she had to intervene because it was her job to allow only the truth over the airwaves.

The following is a summary of the statement I would have made had I not been censored and shut off:

The situation at WBAI has implications far beyond this one station. Freedom of speech over the airwaves via radio, broadcast television and cable television is presently quite limited for the majority of Americans, and they are not aware of this. We have a problem of great magnitude that is not being appropriately addressed. The WBAI arrangement and structure offered one model to be emulated. As a listener supported station with a very diverse set of programs, procedures and guests, WBAI represents the optimum use of radio in the service of ordinary people.

When I attended the memorial service of the late Samori Marksman, who is a former WBAI station manager, last year in the great hall of St. John's Cathedral, I saw at that funeral a more diverse assembly than I have seen anywhere in New York City. Folks from all races, religions, income levels, and political persuasions were there. There were intellectual snobs who support programs broadcasting esoteric operas mingling with radical, grassroots political activists. Indeed, as a politician, one immediate reaction I experienced as I contemplated all of the diversity and the solidarity was at that funeral I felt that some of the powerful people in powerful places would see WBAI as a threat and seek to destroy it.

Mr. Speaker, WBAI represents radio freedom of speech that does not make profit for anyone. There are those who see profits being made via WBAI and other Pacifica stations. There are others in powerful stations who feel that only commercial stations should exist; or if there are public stations, they should be indirectly controlled by corporate grants and benign corporate advertisements.

Some of the persons who have recently been appointed to the Pacifica Board represent such powerful commercial interests and, in my opinion, WBAI is an endangered station as long as such business predators are on the Pacifica Board. Persons far removed from the original ideals and philosophy of the founders of the Pacifica chain are not likely to promote the original intent of this very well conceived system.

The basic question which must be tested as soon as possible in the courts is who owns a nonprofit entity? Who has a right to sell a nonprofit radio station? Does the original charter or licensing by the FCC permit any group of trustees or directors to treat Pacifica and WBAI as if they were commercial entities?

While the Pacifica turmoil is raging, I strongly urge WBAI to seek to preserve its freedom by exploring the necessary steps to become independent of Pacifica. As a nonprofit entity, WBAI should use the university structure as a model. It should elect the board of trustees through a voting process utilizing its contributors and supporters as the voters. The trustees should be responsible for basic business operations while the producers and staff should be given a role similar to the faculty of a university. Basic freedom similar to academic freedom and tenure should be conferred upon the longstanding producers and long-term paid and unpaid staff participants.

We want to preserve WBAI in New York City.

INTERNATIONAL WOMEN'S DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

Ms. MILLENDER-MCDONALD. Mr. Speaker, as the cochair of the Congressional Caucus on Women's Issues, I am proud to rise today to acknowledge International Women's Day.

This day is a symbolic recognition of the great contributions that women around the world make everyday in society as mothers, teachers, farmers, doctors, maids, engineers, accountants, social workers, lawyers and activists. It is also a time to review the progress of women in the public arena and the workplace, as well as their struggle for equal status and full participation in society, justice and peace.

International Women's Day is celebrated in the United States, United Nations and in many countries throughout the world. International Women's Day was declared in August 1910 at a meeting in Copenhagen. The Women's Socialist International Organization decided to commemorate March 8 as Women's International Day due to the strikes by hundreds of women workers in garment and textile factories in New York. The strike was against low wages, 12-hour workdays and inhumane working conditions.

In 1975, during International Women's Year, the United Nations began celebrating March 8 as International Women's Day. Two years later, in December 1977, the General Assembly adopted a resolution proclaiming a United Nations Day for Women's Rights and International Peace to be

observed on a date to be chosen by each Member State.

Women around the world have assumed positions of influence in all sectors of society, Mr. Speaker, and also have contributed to economic and social advancement. Yet, women face discrimination in many areas of society, and violence against women is part of everyday life for many.

Women constitute the majority of the world's poor. Eighty percent of all refugees are women. One in every three women have been beaten or abused in some way.

□ 1845

Two million young girls are introduced into the commercial sex market each year. 130 million girls have undergone female genital mutilation. Every year 5,000 women and girls are victims of the so-called ''honor killings.'' Four million women and girls are bought and sold worldwide, either into prostitution, marriage or slavery. Two-thirds of the 300 million children worldwide without access to education are girls.

In Africa, HIV-positive women now outnumber infected men by 2 million. In India, it is estimated that more than 5,000 women are killed each year because their dowries are not enough. Women are still underrepresented in governments and political parties.

Despite slow progress in some areas, the advances that have been made in the status of women in society must not be underestimated. Female genital mutilation has been outlawed in several African countries. Many Latin American countries have modified legislation to improve women's access to resources, education and health services. Several countries have adopted or amended their constitutions to prohibit discrimination on the basis of sex. Bermuda, the Dominican Republic, Honduras, Mexico, Peru, South Africa and Venezuela adopted various forms of domestic violence legislation. Chile, Cyprus, the Sudan, and Zambia outlawed discrimination on the basis of pregnancy or childbirth. Egyptian women gained divorce rights similar to men's.

Mr. Speaker, tonight I ask my colleagues to join me in celebrating the gains that women have made internationally and to acknowledge that we still have much to do in the struggle for equity and justice.

SPECIAL EDUCATION FUNDING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Maine (Mr. ALLEN) is recognized for 60 minutes as the designee of the minority leader.

Mr. ALLEN. Thank you, Mr. Speaker. I rise tonight to participate in a discussion with my Democratic colleagues on the subject of special education. All of us have been traveling through our districts talking to teachers and parents and students and school administrators, and we have found over and over again that the number one concern is the failure of the Federal Government to live up to its responsibility to pay the full 40 percent of the special education costs that were mandated by the Federal Government 26 years ago.

But we need to set this debate about special education in context, and particularly in the context of the debate over taxes we had here today. For all of the sound and fury of the debate this afternoon, the differences were fairly simple. On the one hand the Republicans were advocating for an important part of what is an overall $1.6 trillion tax cut over the next 10 years. $1.6 trillion.

On the other hand, the Democrats were arguing for a corresponding part of what overall would be an $800 billion tax decrease over 10 years, half the size of the Republican tax cut.

Now, the reason the debate was so intense and the reason Members on the Democratic side of the aisle felt so strongly about this subject is that the numbers were not being put forth accurately.

For example, if we are going to give back either $800 billion as the Democrats proposed in terms of tax cuts or $1.6 trillion in tax cuts as the Republicans proposed, those are not the amounts by which the debt is reduced because if you have a substantial tax cut, then that money is not available to pay down the Federal debt and, therefore, interest on the Federal debt would be higher than it would be otherwise.

On the Republican side, that $1.6 trillion tax cut, if enacted as passed by the House today, means that we will have over 10 years $400 billion of interest that we have to pay on the national debt that we would not have to pay if that tax cut were not enacted. On the Democratic side the corresponding number is about $100 billion to $150 billion extra in interest that we will have to pay, and what is true for tax cuts is true for spending.

Here is the fundamental problem. If you set aside the Social Security trust fund and the Medicare trust fund, the Bush tax cut, $1.6 trillion in tax cuts plus $400 billion in additional interest on the national debt plus $300 billion in order to fix the alternative minimum tax, very quickly you find that the Bush tax cut reduces the surplus by about $2.4 trillion to $2.5 trillion.

If that tax cut passes the other body in the form that it passed here today, we are in trouble as a country because that tax cut slams the door on any effort to provide a Medicare prescription drug benefit for our seniors any time in the next 10 years if current projections hold. That tax cut, the Republican tax cut, slams the door on the use of general revenues at any time in the next 10 years to shore up Medicare and Social Security and extend the life of those two vital programs.

Mr. Speaker, with respect to the program that we are here to talk about tonight, the Republican tax cut slams the door on any ability to fully fund special education.

I know we have a number of Members on our side wanting to speak, but just to lay this in context and say it simply, right now in the year in which we are in, we spent $6.3 billion on special education. The mandate that we required the States to meet 26 years ago to provide a free and appropriate education for children with disabilities, and when we said 26 years ago that the Federal Government would meet 40 percent of the cost of that program, we do not even come close. This year $6.3 billion represents just under 15 percent of the total cost of special education in this country. That is a long way from the 40 percent that this Congress talked about when the mandate was imposed.

In our districts, teachers, school administrators, parents, and even students understand that there is not enough money for special education, that local funds are being drained out of regular education programs in order to pay for special education, and that the local property taxpayers are taking a hit. We can help all of these groups if we would simply step up to the plate this year, reduce the tax cut and fully fund special education.

The last thing I will say is this. If we do not do it this year, it is not likely to happen any time in the next 10 years. The reason is that full funding is an extra $11 billion. We do not run surpluses most years. It has taken a hard climb to get to them, and now we have the opportunity to use some portion of this Federal surplus to meet the Federal Government's obligations. This is not a new program. It is simply doing what we are obligated to do, what we ought to do for our children and for our school districts, our parents and teachers around the country.

Mr. Speaker, I am joined tonight by a number of Members, and it is a particular pleasure to recognize the gentleman from New Jersey (Mr. HOLT) who helped organize this special order tonight.

Mr. HOLT. Mr. Speaker, I am pleased to join my colleague from Maine, and I thank you for yielding.

The gentleman from Maine set the stage very well. What happened on the floor here just a matter of a couple of hours ago was really putting the cart before the horse. There are certainly justifiable tax cuts. I know that my constituents back in New Jersey are only too eager, as the President says, to get a refund on overpayments. The President came here and said in the

joint session when he gave what would be called a State of the Union address that he was asking for a refund. But the reason this was the cart before the horse is because it is hard to know what the amount of overpayment is because we have no budget proposal that comes in advance of this tax cut vote. We have had no debate about really what are the obligations that this Federal Government has in front of us and which of those obligations are we going to honor and in which order.

Certainly our obligations are more than what some Members would say, and that is the obligation of the Federal Government is only to provide national defense. No, we have many other important obligations as well. For example, we have an obligation, a promise, to America's veterans to provide health care for them. We have made a promise to seniors to provide health care, and that certainly should include in this day and age prescription medicine. And we have made a promise, a national commitment to excellent education for all. And that is where we get to the subject at hand here.

Education has not been discussed in advance of today's vote on changing the tax rates. But, in fact, to really provide a free, appropriate public education for America's children is an expensive proposition. School districts are discovering this. Property taxpayers have certainly discovered it. As my colleague has pointed out so clearly, for the Federal Government to provide funding at the level of 40 percent of the cost of educating the special education students under the IDEA program would, over the 10-year period that we are talking about in all of these estimates about tax cuts and so forth, we have been talking about a 10-year period, in that period it would be on the order of a hundred billion dollars.

This is not a footnote. This is not lost somewhere down the decimal point line. This is real money, and it is something that we have, I believe, an obligation to provide and to provide now. For years, since 1975, the Federal Government has made excuses about why it could provide only 5 or 7 percent; or now, as we have in the current year, provide about 14 percent of the cost of educating the special education students, but those excuses do not apply any more when we have a surplus, an honest-to-goodness surplus, and we are debating what we should do with it.

Well, we have obligations; and we should have those obligations out on the table along with the obligation of paying down the national debt, along with the obligation of returning any surplus funds to America's taxpayers.

I am pleased that we have the opportunity to get this out on the floor for discussion now at least before the other body makes its decisions so we can have a good debate about America's obligations.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for his comments; and I appreciate all that the gentleman from New Jersey has been doing in his State to try to, there as well as here, to try to get full funding for special education students.

I do not know if you heard during the debate how many times our friends on the other side of the aisle said what they were trying to prevent was having the Federal Government spend money here in Washington. Special education funds are not spent in Washington, they are spent in our districts and States across this country. They are not wasted and put away here in Washington. Special education funds go to teachers, school districts, in our States in our districts across this country. They make it better and easier to provide a good education for special education students, provide a good education for regular students, and they help. If we could ever fully fund this program, they would help to relieve the stress that property taxpayers feel all across this country right now.

□ 1900

And it is not even a new program. This is money that goes back to our States and back to our districts. But when we listened to the other side during the tax debate today, it sounded as though this money is buried somewhere here under the Capitol and never gets out to the districts.

Mr. Speaker, I yield to my good friend, the gentlewoman from Oregon (Ms. HOOLEY). It is very good to have her here tonight.

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentleman for yielding to me.

As we talk about this issue, the gentleman is right when he talks about our not burying this pot of money somewhere in Washington, D.C. We send it out to our districts, and we send it out to our States and to our local school districts. And as we talk about the needs of special education, again the gentleman mentioned that this is a program that is 26 years old. We have said that we should fund 40 percent of the excess costs; yet we are up to under 15 percent. And this is the best we have ever done. And if we do not pay our fair share, then the burden goes someplace else.

Again, as the gentleman has gone across and talked throughout his district and throughout his State about what is important to them, I too have talked to people in my district. This is important to school administrators, it is important to teachers, it is important to those that have special-needs children, it is important to the general population because we are all impacted by this.

This issue, plus the issue of smaller classroom sizes. We know if we have fewer students in a classroom between kindergarten and third grade that kids do better, and when they do better in those grades they also do better in the upper grades, high school and even into college.

But tonight we are talking about special-needs children, children with disabilities. And one of the things that is happening, particularly in our rural communities, and I represent a lot of small rural communities, is that there can be a special-needs child that will cost over $100,000 if they have multiple disabilities. I have one with autism and also has other disabilities that costs about $120,000 a year. If this is a small rural community and there is only one student with disabilities, all of a sudden, to give that child a free and appropriate education, which is what we should be doing, we have to hire a teacher for that child, and we have to provide transportation for that child. For some of our small schools, it really does break the bank.

The reason it breaks the bank is because we are not paying our fair share. It is a little easier for some of the larger schools, where they may have several students and so they can have one teacher for several students, or transportation for several students. But it is still expensive and we have to acknowledge that. I think no one can deny that it is an expensive program, but it is an important program. And some of the special-needs children are not that expensive, some are $400 or $500 or $600 a year.

What has also happened is we have waiting lists in our schools. Now, we have guaranteed a free and appropriate education for every child, including those with disabilities; but we have a waiting list where some children cannot get their needs taken care of because we have not paid our fair share. As a result, all of us have to deal with this problem. Again, this is a huge unfunded mandate that we made an obligation to fund. I think we need to do it, and this is the time to do it.

I have introduced a bill, and I know there are a lot of bills with special education trying to get IDEA funding, Individuals With Disabilities Education Act, but the bill I have introduced is H.R. 659. I have introduced it with the gentlewoman from Connecticut (Mrs. JOHNSON). And what we are trying to do in our piece of legislation, and the gentleman talked about we need $11 billion this year, this piece of legislation would ask that over the next 5 years we get up to the point that we are paying the full 40 percent of our obligation. That takes about $3 billion a year. Is that a lot of money? Absolutely. Do we need to do it? Yes.

This is a promise we made. And I am one of these people that believe when promises are made, they should be kept. So we made this promise 26 years ago, and I think it is time that we invest in every single child and make

sure that they have an appropriate education.

Mr. ALLEN. Mr. Speaker, I thank the gentlewoman for her commitment to this issue. The gentlewoman was talking about the importance of driving the special education to full funding either this year or over a period of years. All of us would love it to happen this year. It may or may not.

The important point that I want to make right now is that if we look at the proposal from the Bush administration, there is only one sentence dealing with special education and it says special education will be increased. Maybe by $10. Who knows? Maybe by $100; maybe by $10 million. Who knows? What is clear is that in his proposed increases for the education department there is not enough money to even come close to what the Clinton administration did in each of the last 3 years. Because in each of the last 3 years we increased special ed funding by about $1 billion a year, and that simply cannot happen unless we finally get some real numbers.

Maybe we will be pleasantly surprised. But looking at what the President has sent to us so far, it looks like this is an area that could easily be shortchanged when, in fact, it should be fully funded.

Ms. HOOLEY of Oregon. Let me try to put that in some perspective. I talked about my piece of legislation. Whether it is this or something else, it really does not matter as long as we live up to the obligation. If we look at fully funding it over the next 5 years, it costs an additional $3 billion a year. In the budget this year that was presented to us, the number in there to take care of inflation, just sheer numbers of additional people in the entire Department of Education, is $2.4 billion, and there are several new proposals that President Bush has for education. So it gives you an idea, just to fund this is $3 billion. In the budget for everything is $2.4 billion.

So we have not really put our money where our mouths are, and we need to do that and to live up to those commitments.

Mr. ALLEN. I thank the gentlewoman.

Mr. Speaker, I yield now to the gentlewoman from California (Mrs. CAPPS), who has been a real leader on this issue, fighting for her constituents back home, trying to make sure that we can make some real progress and get full funding for special education. I yield to her.

Mrs. CAPPS. I thank the gentleman for yielding, and I am honored to be here with my colleagues from Maine, from New Jersey, from Oregon, and from California; all across the country.

Mr. Speaker, we are disappointed that we spent the entire day discussing a tax package that is not right for this country; and the passage of such a large tax reform bill out of a budget context will mean, no doubt, that we will have fewer dollars to pay down our national debt, to strengthen Social Security and Medicare, and to improve our education system. And of course a centerpiece of education in our country today and for the past 26 years has been IDEA, Individuals with Disabilities Education Act.

I travel up and down the central coast of California, which I am proud to represent, and I spend time on school campuses. And when I do, I hear a common refrain: we need to fully fund IDEA. I hear this from parents, I hear it from classroom teachers, from administrators, from school boards, and I hear it from the community. The Individuals with Disabilities Education Act requires the inclusion and equality of one of our most disenfranchised groups, kids with disabilities.

IDEA ensures, and this is a good thing, it ensures that children with disabilities can attend a public school in their hometown alongside their peers. In my years of being a school nurse, I saw the value and the importance of this wonderful idea, IDEA, that we in Congress, our predecessors in Congress, put into place. This is a value for families and for a community, for children with and without disabilities, to have this kind of education within the least-restricted environment.

With over 6 million students in our schools who have special needs, we should be appropriating over $17 billion in Federal funds each year. We promised that when we authorized this education act. And what are we giving them? Only $6 billion, as the gentleman said. Because this is a right that we declared, that these children will have this opportunity, local and State budgets are forced to absorb the shortfall. That is a terrific cost to our communities.

While the Federal Government is authorized to pick up the tab for fully 40 percent of these costs associated with special education, currently we are only paying 14 percent of these costs. It was in 1975 that this law mandated that all children receive a free and appropriate education, public education, and that 40 percent would be attached to it; that that was our fair share as a Federal Government. But in the last 25 years, we have failed to provide the necessary funding to support this pledge that we made to local school districts. I believe, along with my colleagues, that it is time to put our money where our mouths are and to fully fund the Individuals with Disabilities Education Act.

When States and schools, local schools, are forced to pick up the difference in the costs for the needs of these children, they often have to shortchange other children. We should not have to be forcing them to make such a choice in providing an appropriate education for one group of children and not for the other. It is our responsibility to provide a good, free education to all of the students in this country.

I want to share a local story to tell my colleagues about a situation in San Luis Obispo County and their school district. They are currently working with and providing resources for 13 children with autism. These children need special assistance to be able to reach their educational goals. In my district, the minimum cost of service for a child with autism is $40,000 per child per year, and the San Luis Obispo school system has only $200,000 for this program. They need more than twice that amount to adequately provide the educational resources for these children.

Because of situations like this, this particular school district, San Luis Obispo, ends up spending 25 to 30 percent of their general funds for children with disabilities. The kind of resentment and tension that that creates within a local school setting is one of the unfortunate by-products of our lack of taking on our own responsibility. So school districts across this Nation are facing these terrible choices. It is putting an unnecessary burden on the local school district, costing them precious dollars, and it is pitting parents with students who have disabilities against parents of children who do not. What an unnecessary and unfair burden.

I am committed to working with all my colleagues here in Congress so that we can assure that all of our children get the best education, the best resources that our public schools have to offer them. One way, one very specific and concrete way that we can do that is to own up to our own responsibilities here in Congress and to fully fund the Individuals with Disabilities Education Act.

So I thank the gentleman for holding this session so that we can express our concerns about this matter, particularly timely, I believe today, in the face of this enormous tax budget cut, which is really going to wreak havoc on our opportunity to do this very thing.

Mr. ALLEN. I thank the gentlewoman for her comments, and I appreciate the point she has made, which is so important, that when the Federal Government fails to live up to its funding responsibilities there are real consequences for real people. The tensions the gentlewoman describes between parents of special ed kids and parents of other kids in a school district can be really quite serious.

In my State of Maine we have about 230 or 240 school districts. We only have 1.25 million people in the State of Maine; but we are geographically so large, we are so spread out, we have

relatively small school districts, certainly compared to Virginia or Maryland or California.

□ 1915

It is a tremendous burden. I really thank the gentlewoman for making that point.

Mrs. CAPPS. If I could just respond in saying that when we are doing this in Congress, when we fund to 14 percent, we are not saving money by doing that. These are obligations and responsibilities that local school districts have. They bear the bottom line. It is the children in the local communities who have the right and come up to the school door and say, or the family say, here is my child, these are the needs, now you provide the resources. We ask them to do that, sometimes in very difficult circumstances.

When we do not meet our needs, it just foists that responsibility on overburdened districts that have many other obligations to make as well.

Mr. ALLEN. I thank the gentlewoman for her comments. That is also why we did not hear our friends on the Republican side of the aisle mention special education today, because they really do not want it to be part of this debate. But in truth if you pass a tax cut, as we did today, if the tax cut passed today by the House Republican majority becomes law, where will we ever in the next 10 years find the money to meet our responsibilities created when the Federal Government laid down the special education mandate 26 years ago?

I yield now to one of our outstanding freshman Members on the Democratic side of the aisle, Mrs. SUSAN DAVIS, who now represents San Diego, California.

Mrs. DAVIS of California. I thank the gentleman from Maine (Mr. ALLEN) for giving me the opportunity to rise today and urge Congress to make a priority in this session of budgeting sufficient funds for special education costs. I know it has been suggested that we look at the first of five annual steps this year, so that we work towards funding 40 percent of these special education costs.

This is about children. It is about children who have been challenged orthopedically, challenged physically in the full use of their senses or in the thinking processes that block their learning. We owe them a free education that accommodates their needs, even when these are in the high cost/small incidence category. We know that the effect on school district budgets of providing this court-ordered civil right can be enormous. Inevitably, meeting these moral and these local obligations leaves fewer resources for all the other educational purposes that we have.

In the California legislature, I worked for many months with educators and concerned groups to author a formula for California to distribute its available funds more equitably. It was about 17 years that they have been trying to find a way to do this. The goal for Federal funding would only reach 40 percent of the assumed average additional cost, and it would only reach this level in a way that we are talking about today several years down the road.

Some have argued that this might be too much money in some districts or that if the Federal Government assures these funds that a district might somehow identify more students as qualifying. I just do not believe that these are legitimate concerns. From my work in the California legislature, I know that the actual costs of educating special needs students varies a great deal. To receive an appropriate education, some children need full-time assistance or must be taught in special, sometimes private facilities. Children with severe disabilities may be a higher percentage of the disabled student population in one district than in the average nationally. I know that as a school board member in San Diego, we were always aware that military families were stationed in San Diego because of our special ed program, so that in many ways we attracted children to the district, and other children should not have to pay that price. We ought to fund the program properly.

Costs for special needs students can differ, we know, from community to community, because many States and communities have high costs of cost of living and spend a great deal annually on the costs for each pupil. Teacher salaries we know too may reflect that high cost of living and certified special education teachers are in short supply in many communities of our country. Such limited resources in other States and communities provide much less money per child on average and even after the Federal contribution, the unmet needs of disabled students create a much larger debt in their budgets.

I have yet to see a school district that would consider even 40 percent of additional special education funding as an incentive to identify students inappropriately, because doing so commits them to an extensive and expensive program of evaluating and meeting these children's needs. I believe that it is our fundamental responsibility, and I am pleased that my colleagues have spoken to this as well, that we commit today to a plan for meeting the 40 percent funding goal without taking the dollars from other ongoing educational programs.

I thank the gentleman from Maine for bringing this to us. In truth, this is a bipartisan issue. We know that, because there are a number of bills that have been introduced in the Congress from both Democrats and Republicans. We all recognize there is a need. We have heard from our communities for years and years and years on this issue. But we must look at it within the context of the larger budget and our tax debate. I thank the gentleman very much for bringing this to our attention and for being part of the dialogue today.

Mr. ALLEN. I thank the gentlewoman very much. Her comments certainly are correct. There are certainly many on the Republican side of the aisle who believe this is an important issue and who have joined with us in legislation to encourage full funding. The problem is that when it comes time to do the appropriation bill, the money turns out just not to be there. Now for one of the few times in our history as a country, we are sitting with a surplus, driven by the hard work of the American people and the fact that this economy has been growing extraordinarily rapidly by historical standards over the last 8 years. This is a moment of opportunity, a moment of opportunity to meet our obligations as a Federal Government to the States, to the school districts, to the children, to the parents and to the teachers to provide a better education not just for special ed students but for all students. If the Republican tax cut becomes law in the form in which it passed the House today, that opportunity will be lost and it may be lost for a decade. That is why this is such an important issue. I really thank the gentlewoman very much for being here today.

I would like to turn now to my good friend the gentleman from Arkansas (Mr. SNYDER), who has been a real leader on a variety of education issues and a variety of other issues in this Congress.

I yield to the gentleman.

Mr. SNYDER. I can assure the people of Maine that the gentleman cares so much about this topic that we were discussing it at 6:30 this morning as he was bench pressing several hundred pounds, which I thought was very impressive.

Let me just make several points here. First of all, this is about unmet needs and there are a lot of unmet needs in our country and in our States and in our towns. But it is also about unmet responsibilities. Not only is the need there but the responsibility is there, and we have not met it, as my colleagues have so eloquently been discussing. We see this several places in this process here, in this budget. I am on the Committee on Veterans' Affairs. On Tuesday we had our new Secretary of Veterans Affairs, a fine guy, a Vietnam veteran, he was there to discuss the overall budget number in the President's budget. It is the feeling of everyone on the committee and every veteran services organization, VFW, the American Legion, that that number is clearly not adequate, the budget number for veterans, for the veterans

health care system and the other veterans responsibilities. There is a need there but it is also not just a need, it is a responsibility. We have not kept our responsibilities to veterans. The following days the Committee on Veterans' Affairs met and unanimously, Republican and Democrat, passed a resolution to send to the powers that be in primarily the Republican leadership that we need to add money, that this is our recommendation, higher than what the President recommended, because we think that not only are there unmet needs in the veterans community but there are unmet responsibilities. This is another example, this funding for IDEA for those kids in school districts that have these special needs.

In Arkansas, we have 310 school districts spread over our almost 2.5 million people. A lot of them are very small districts. A lot of them struggle. I was talking recently with one of the school superintendents. I brought up this topic of IDEA. It was actually a very moving conversation because he told me, he said, they absolutely know that they have a responsibility to do a good job with these kids, and they are going to do whatever it takes to do a good job with those kids. But because we the Federal Government do not meet our responsibilities, they have to pull money from other programs. For every Federal dollar that is not there, a State sales tax dollar, or a local property tax dollar has to go in to meet the responsibilities on those kids. These are all great people, they do a good job, but you can also sense there is some, I do not want to use the word bitterness but they are very uncomfortable with the fact that they know that they have agreed to this partnership with the Federal Government and we have not kept that responsibility.

The third point I would make is there is a long-range benefit to us all to meet this responsibility, because these are special needs kids, and these are kids if we make that investment now in their education and in the things that they can learn, it will be better for them and their families and for us in the future. Working with these kids, the earlier the better, with the best resources, the best technology, the best teachers, all that takes money.

The fourth point I want to make, and this is where I get a little bit baffled here, because it seems to me that what could happen is that we all just converge one day, Republican and Democrat, right down here on the floor of the House and say, by gosh, if we want to do nothing more in education but meet this commitment overnight to fund IDEA, we would accomplish what both sides of the aisle want and what our school districts want.

What do I mean by that? I think there is some bipartisan interest in putting additional money into education. I think that is great. I attended a forum with the President in Arkansas last week at a school, a grade school, and it was a great forum. He is talking about he wants to put additional money in education. Where we are arguing about is, well, will it be money that goes in kind of in the form of a block grant or will it be money that goes in with a little more control and how do you account for it? We are going to have that discussion and debate and I think it is a good debate, but one way to resolve it is to say, wait a minute, if we did nothing more than to make this commitment of resources to IDEA, both those ideas would be met, because the school districts are going to have flexibility because those Federal dollars would free up their State dollars to do with them what they want to. Right now their hands are tied. They do not have the flexibility to use their own State dollars because they are obligated to put them into this program that we have mandated on them, and they are also having to do our Federal share.

I think also folks from this side of the aisle that sometimes want more accountability, they would say, ''Wait a minute. We understand the school districts. We told them that we would give them this money. Let's step forward and give them this money because it is going for these special needs kids and that frees up money in the whole district.''

I think that this is an area that if the President wants to improve flexibility for school districts and how they can spend their dollars, all we have to do is just dramatically increase our commitment on IDEA, as we should do, as we are morally obligated to, and that would help kids, help all kids, help those special needs kids, give school superintendents flexibility and free up those State and local dollars that are in such short supply.

I appreciate the gentleman's efforts in this regard and I proudly have signed on to the bill of the gentlewoman from Oregon (Ms. HOOLEY) today that attempts to do this.

Mr. ALLEN. I thank the gentleman for his comments. His point about the Committee on Veterans' Affairs, looking at the proposed budget for veterans and finding it falling short is a real lesson to all of us. The one thing that is absolutely clear about this tax bill that the Republicans brought to the floor today is they brought it to the floor before the needs of our veterans, the needs of our kids, the needs of our transportation infrastructure, our defense requirements. None of that has even been laid out by this administration. Yet they are rushing through a tax cut which would basically eat up all, when you make the proper, reasonable assumptions, eats up all of the surplus for the next 10 years. I think a lot of the debate today was the concern that that is simply going at this backwards. It is dessert first, as some have said. We needed a much more responsible, more fiscally disciplined approach. We did not get it today, but we will hope for the best. I thank the gentleman for coming down here.

I would like to yield again to the gentleman from New Jersey (Mr. HOLT) for additional comments that he may have.

Mr. HOLT. The gentleman and our colleagues have made some very good points. I would just like to emphasize that someone has to pay for this. I actually take issue with this phrase that we hear so often, unfunded mandate. This is not something imposed by the U.S. Congress. What happened was in 1975 there had been a series of court cases that made it clear that the local schools had an obligation to provide education, had an obligation to provide free, appropriate, excellent education.

□ 1930

Among those cases was Park versus State of Pennsylvania, Mills versus D.C. Board of Education. Schools understood that this meant enormous expenses for them because more than 25 years ago, when Congress passed IDEA, it was to give hope to children with disabilities, and the law has been really very successful in that respect.

Before its passage, children with disabilities were either segregated from other students, given inferior education or too often received no education at all.

There is an American ideal of excellent education for all, and the courts made that clear. What Congress did in 1975 was to look around the country, find the average cost of educating students, the average cost of educating students with special needs, and made the average estimate that it was about twice as expensive on average to educate the students with special needs. So Congress codified this already-existing need. It was a moral obligation, as well as a legal obligation, and Congress said to help the States and the local school districts meet this need that was clearly going to be expensive, Congress would over time fund up to 40 percent of the cost, and this was codified in the bill called Individuals With Disability Education Act, IDEA.

As I mentioned earlier and as our colleagues have said, now we are up to only about 14 percent, a little over 14 percent, of funding the costs according to this formula that was laid out in IDEA. So someone has to pay for it.

We have an obligation to educate these children, and we have learned so much. As the gentleman from Arkansas (Mr. SNYDER) said, Federal research shows that investment in education of our children with disabilities, starting in the very earliest years, starting from birth, throughout their school years, has rewards and benefits that are not only for those children themselves but for our whole society, and

research shows that promoting educational opportunity for children with disabilities directly affects their ability to live productive lives and to be productive, contributing members of our society.

Research also has taught us a lot about how to provide excellent education for these children. So through better diagnostics and through what we have learned about remedial activities, as well as what we have learned about how all children learn, of course, there are enormous variations. Today, because of IDEA, infants and toddlers are receiving early intervention and special education is working. It is helping all of society. So I take exception to this phrase, unfunded mandate. There is an obligation here. The Federal Government can and should help. Certainly, in a State like mine where almost all of the school expenses are paid through property taxes, the property owners feel the burden of this and are crying for help.

It is an important and a tough subject. The gentleman has put it in perspective very well. Today is a good day to be speaking about this. It is not a good day because I am not happy with what we have seen on the floor here earlier, but it is an appropriate time to be talking about it.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. HOLT) for his contribution to this discussion tonight.

It might be worth just revisiting sort of the basic numbers. Right now the current level of funding for special education from the Federal Government to the States, through the grants to States program, is a bit over 14 percent. It is the highest it has ever been, largely because in the last 3 years we increased that number by about $1 billion a year to get to the $6.3 billion in the current fiscal year.

Now, to do full funding, what we mean by full funding is that the Federal Government would fund 40 percent of the costs of special education. We would need an additional $11.4 billion in fiscal year 2001 for a total of $17.7 billion. The reason this is appropriate to be discussing tonight is, we just passed, over our objection, a trillion dollar component of a $1.6 trillion tax cut with no effort, no discussion, and nothing in the President's proposed outline of a budget that would suggest there is going to be anything like full funding of special ed.

Here we are at a moment of our history when we could meet that mandate, help out our towns, help out our cities, help out our kids, parents and educators, and we are just passing it by as if this topic were not to be discussed until the tax cut was passed. If the Republican tax cut passes in the form in which it went through this House today, I think it is safe to say that it will be a decade before we will be close to full funding of this mandate.

I would like now to turn to the gentleman from Guam (Mr. UNDERWOOD), who has been actively interested in this particular area and with whom I sit on the Committee on Armed Services.

Mr. UNDERWOOD. Mr. Speaker, I thank the gentleman from Maine (Mr. ALLEN) for yielding.

Mr. Speaker, I want to congratulate the gentleman from Maine (Mr. ALLEN) for his excellent leadership on this particular issue. This is exactly an appropriate time to raise concerns like this, especially those areas of educational activities which we have passed into national law. What a time to raise this, when in effect we have squandered an opportunity to take care of this amongst many other issues.

I would like to add my own personal support for full funding of IDEA. This is an issue which has come to me as a professional; I am a professional educator by trade. My wife in particular, Lorraine, also worked in special ed for a number of years in Guam, and in dealing with children with the severest conditions, particularly infant children, one of the unfortunate dimensions of not fully funding an activity like this is when one is in an isolated community like Guam, they are unable to secure the kinds of financial resources and professional attention that they need.

When they have a small community but they have these very strong needs and these are human beings and these are people that we have made a national commitment to, it is exactly the appropriate day today to raise this in the context of the fact that we have let an opportunity go by to raise this.

Again, I want to congratulate the gentleman from Maine (Mr. ALLEN) on his leadership, very fine leadership, on this issue.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from Guam (Mr. UNDERWOOD) for his support.

Mr. Speaker, I would just like to add a few comments about my recent experience. In the first 2 months of this year, I organized a couple of forums with educators who are expert in K through 12 in Maine and we had conversations. Some of them were principals. Some of them were businessmen and women. Some of them were university professors, and we talked about the problems in Maine with special education. Sixteen percent of our kids in Maine are identified as special ed. We take the obligation to give them a free and appropriate and excellent education very seriously, and, in fact, they are doing well. I mean, by the measures of the tests that we use to assess progress as students go through, our special ed kids are doing very, very well. We are proud of what they are doing.

As a number of Members tonight were saying, the cost of educating special ed students is really substantial. On average, it may be about twice, that is $12,000 as compared to $6,000 per year but, in fact, some students require very special services and one can be looking at $40,000 or $50,000 or sometimes even $100,000 a year to provide that free and appropriate education to someone with significant disabilities.

I then went out into my district and organized four forums in four different communities through the local PTA or through other volunteer groups, groups of volunteers in our schools. I sat at these meetings with parents who were volunteers typically, with school administrators, with superintendents of schools, a few teachers and a few students. It was interesting.

When one goes back to the grassroots and talks with people involved in education on a day-to-day basis, they really are not talking about testing as much as they are talking about three things. Number one, always number one, is the plea to give full funding for special education because so many other things fall into place if they can simply use some additional amount of the increased funds each year at the local level for the regular education programs and not have so much drain-off by special education activities.

The second plea they made over and over was a plea for assistance in finding, recruiting and retraining teachers, particularly in the math and sciences. Our school districts in Maine are having a very hard time finding, recruiting and holding teachers. The salaries are not high enough in many cases to attract the kind of people they want.

Third, school construction, we have a lot of snow up in Maine. Our buildings need to be very solid, very secure and they need to be well insulated. The fact is that many of our schools are old. As I mentioned earlier, we have about 230 school districts and we have some excellent schools in terms of facilities, some new schools. Then we have some which, frankly, really need help.

So the proposal that President Clinton made in the last couple of years of his term that the Federal Government pick up some of the interest costs on bonds that are floated for school renovation or construction was something that really resonated among people who are involved in education in my home State of Maine. I am not sure we are going to see the same kind of interest or commitment from this administration, but I will reserve judgment until we see a budget in some detail.

Mr. HOLT. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from New Jersey.

Mr. HOLT. On that point, the gentleman talks about the needs for school construction. It is clearly a national need to find and recruit and train teachers and give them good, continual professional development, and there is IDEA and special education.

In his campaign, President Bush promised to increase the resources for special education, moving toward, as he said, full funding of the average per-pupil expenditures. Let me hasten to say, as I said earlier, I believe that there is money available to give people of this country a significant tax cut. I want to do that, but we want to get the horse before the cart, get our obligations out in front of us, talk about the debt, and then make our decisions. But to make room for this huge tax cut, President Bush's budget would provide $44.5 billion for the U.S. Department of Education, a 2.4 percent increase, which is only 6 percent, which does not keep pace with the increase in the Department of Education over the past 5 years. In fact, compared with last year, which was 18 percent, it is a very small increase.

As our colleague, the gentlewoman from Oregon (Ms. HOOLEY) pointed out, that increase is not enough to deal with special education only; even that, not counting school construction, not counting after school and summer school programs, not counting teacher recruitment.

There is, in the sketchy numbers we have about the budget from the President, for the Department of Education, it looks like it does not add up. Something has to give.

Mr. ALLEN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. HOLT) for his comments.

Mr. Speaker, we started this conversation about the discrepancy between a tax cut of $1.6 trillion over 10 years and what that does to all of our other priorities. I thought that Democrats on our side of the aisle made the case very well today for a more balanced approach so that some money was there, both to protect against the uncertainty of future projections but some funds there to pay down the debt more than the President proposes, some funds there for spending priorities like a Medicare prescription drug benefit and for special ed. This is an opportunity that we will lose, we will lose for years, if we do not deal with it right now, before a tax cut is passed that will just simply slam the door on the opportunity for full funding for special education.

□ 1945

Mr. HOLT. If the gentleman will yield, in a conversation with school board members today in my office here in Washington, I said what is going on over on the floor right now is eating your lunch, not the school lunch program. Come back a month from now and they will say, I would like to help with special ed; but it is just not there, the money is not there.

Mr. ALLEN. Mr. Speaker, we have been joined by the gentleman from Washington (Mr. INSLEE), and we are very pleased to have the gentleman here at the tail end of this Special Order on special education, and I am happy to yield to the gentleman.

Mr. INSLEE. Mr. Speaker, I appreciate the chance to express a view from the northwest on this subject. I have a child who went through special education, so I am particularly interested on a personal level in this. I just want to make a comment about what happened today with the tax cut as it broadly relates to a lot of issues, and not just special ed. I think it was a great opportunity missed by our new President, our new President who certainly has talked a lot about uniting the country; and yet we found today, with this tax cut brought to the floor of this House with no opportunity to talk to the Democratic Party about the tax cut, or the budget, whatsoever; it was rammed through this House. Frankly, the new President's tax cut had all the uniting qualities of a guillotine in cleaving this House right down the middle with no discussion with the Democrats or the Republicans, for that matter, on a budget, special ed or otherwise. I just want to note that I think it was a tremendous opportunity lost.

We are now going to hope that the President talks with us about special ed and some other issues.

Let me just mention one of the other casualties of this tax cut, without a budget first. On the very day we had a 6.8 on the Richter scale earthquake in Seattle, the President announced that as part of his efforts to make room for the tax cut, he wanted to kill Project Impact, which is a project that we used in Seattle to help get ready for earthquakes and have earthquake preparedness. We had efforts that went on in Seattle that helped us avoid any loss of life in Seattle as a result of that.

But in blind observance of this tax cut, without any consultation with the rest of his government, he wanted to zero out this $25 million project. Why did he do it? The Vice President told us he thought it was an ineffective program. I went to Stevens Elementary School where a one-ton tank of water was over these kids' heads, it was secured and did not collapse, partially as a result of this earthquake preparedness money. Those kids thought it was an effective program. So it is interesting. We asked the FEMA director, Joe Allbaugh, what he thought of this, and he said, well, you know, nobody asked me about this project. They zeroed out a project in the FEMA budget and nobody asked the FEMA director appointed by President Bush and, on educational issues, this was rehab money for school districts, and in the seven schools where this money was used, nobody got hurt and no structures collapsed.

Mr. Speaker, I would just point out it is one instance where we had a loss today.

Mr. ALLEN. Mr. Speaker, I thank all of my colleagues for participating.

INTERNATIONAL WOMEN'S DAY

The SPEAKER pro tempore (Mr. PENCE). Under the Speaker's announced policy of January 3, 2001, the gentleman from Guam (Mr. UNDERWOOD) is recognized for 60 minutes.

Mr. UNDERWOOD. Mr. Speaker, I rise today in support of March's Women's History Month and March 8 as International Women's Day, which is today, here in Washington, D.C.; and I would also like to honor the late Honorable Cynthia Johnston Torres, a distinguished member of the Third Guam Legislature.

Women's history month is a time to pay tribute to the women of our Nation, an appreciation for their contributions to the political, social, economic and cultural development of our country, in recognition of the many struggles and obstacles that women face, and in honor of the integral role that women have played in American history. Women make up, of course, over half of our country's population and have changed our Nation in many positive ways, and women have made their mark in various fields such as science and business, education, health, the public sector, the arts and entertainment, and the list goes on and on.

The progress of women today must be considered in conjunction with continuing challenges. Today, women are affected by the major issues on our Nation's agenda, including and especially health care, Social Security, Medicare, tax reform, et cetera. Most recently, ergonomic issues impact women the most who represent 64 percent of the repetitive motion injuries that result in lost work time and, regrettably, the House voted to eliminate the most recent progress we have made on this issue.

It is encouraging that 6 out of 10 women participate in the labor force. However, employment discrimination and unequal pay still exists. The future, however, looks promising as women are demonstrating increased participation in all levels and branches of government. Unfortunately, we still have many who have unrealistic and outmoded expectations about so-called traditional roles.

Women's History Month has its own history that illustrates the gains that women have made in the last century. In order to reflect on international connections among women, some European nations have been celebrating International Women's Day on March 8 since 1911, following women's suffrage in 1920 and the valuable contributions made by women to the war industries during the 1940s and World War II. Women's issues were pushed to the forefront during the 1960s. The history of women has been finally acknowledged in schools and has become part of the regular curriculum in the 1970s; and in 1981, the National Women's History Project spearheaded the initiative

for National Women's History Week. The U.S. Congress passed a resolution in recognition of this week; and in 1987, this week has been expanded to National Women's History Month.

Mr. Speaker, my own island of Guam proudly takes part in celebrating Women's History Month. The Bureau of Women's Affairs holds events recognizing women's accomplishments, addressing women's issues, and empowering women to be the best that they can be. The theme for 2001 is ''Celebrating Women of Courage and Vision,'' and there will be a proclamation-signing not only for Women's History Month, but also for the Year of the Family.

Today, the spirit of community and attention to women's issues in Guam is alive and well, as the Bureau of Women's Affairs and the Guam Council of Women's Clubs celebrated International Women's Day ahead of us, a day ahead of us, because Guam is always ahead, in an event involving the participation of various women's clubs and organizations from the government of Guam and the private sector. These organizations learned more about each other and shared information while many contributions from various cultures that are represented in Guam and artwork of Guam were showcased for all to see.

The children of Guam are also active during Women's History Month, as they have participated in a poster and essay competition in promotion of this year's theme, ''Celebrating Women of Courage and Vision.'' Elementary school children have submitted posters and middle school and high school students have entered an essay contest, all of which are displayed at the center court of the Micronesian Mall. Such an event raises early awareness of women's issues and fosters early recognition of women's contributions to Guam's development.

Finally, at the end of the month the outstanding women for the year 2000 will be honored at the seventh annual awards banquet at the Guam Marriott Resort. Winners from the categories of non-traditional role; grandmother, GovGuam/Federal civil service; mother; community private sector will be announced. The influx of nominations illustrates that, indeed, the island does embrace women of courage and vision.

In the executive branch of the government of Guam, Lieutenant Governor Madeleine Bordallo holds the highest position ever held by a woman in the government of Guam, and she currently serves her second term at this most important post. Out of the 60 agencies of the government of Guam, 11 are headed by women, including Andrea Finona of the Guam Passport Office; Sheila Torres of the Agency for Human Resources and Development; Jeanette R. Yamashita of the Chamorro Affairs Department; Isabel Lujan of the Department of Commerce; Rosie R. Tainatongo of the Department of Education; Borah J. Bordallo of the Guam Council on the Arts and Humanities; Geraldine ''Ginger'' S. Underwood of the Guam Educational Telecommunication Corporation, KGTF; Taling Taitano of the Guam Housing and Urban Renewal Authority; Dr. Davina Lujan of the Guam Memorial Hospital; Thelma Ann Perez of the Guam Power Authority; and Christine K. Scott-Smith of the Guam Public Library.

In addition, six of these 40 deputy directors are women.

While others have served in acting capacities, Lourdes T. Pangelinan is the only woman who has served as the permanent chief of staff for the Governor of Guam.

As we can see, political representation by women in Guam is encouraged. In fact, Guam law requires that all government of Guam boards and commissions maintain at least two female members in every board and commission. Several key boards have female chairpersons, such as the former Senator, Pilar Cruz Lujan, at the Guam Airport Authority; Lillian Opena at the Guam Council on Youth Affairs; Dr. Heidi San Nicolas at the Guam Development Disabilities Council; Miriam S. Gallet at the Guam Environmental Protection Board of Directors; Corina G. Ludwig at the Guam Mass Transit; Ann Muna at the Guam Memorial Hospital; Bernadita Quitugua at the Guam Museum; and Arlene P. Bordallo at the Port Authority of Guam Board of Directors.

Women's participation in the legislative branch has also increased over the years and is the highlight of Guam's political history. The first elected female to public office was Rosa T. Aguigui of Merizo who was elected to the Guam Congress in 1946; and since 1986, women represent approximately one-third of the membership of the Guam legislature. Female membership was at its peak in 1990 when seven women were elected to serve in the 22nd Guam legislature which consists of 21 members. During 3 separate years, women were the highest vote-getters for a legislative campaign. In 1986, Mayor Marilyn D.A. Manibusan had the most votes. In 1988, it was Madeleine Z. Bordallo, and in 1990, Doris Flores Brooks. Female legislators that have held the highest offices are Vice Speaker Katherine B. Aguon; Legislative Secretaries Pilar C. Lujan, Elizabeth Arriola, Judith Won Pat-Borja, and Joanne Brown; and Rules Committee Chairperson Herminia Dierking.

In 1954, Lagrimas Leon Guerrero Untalan and Cynthia Johnston Torres were the first women elected to the Guam legislature. Currently, three of the 15 members are women: Senator Joanne M.S. Brown, who is legislative secretary and chairperson of the committee on Natural resources; Senator Lou A. Leon Guerrero, who is the assistant minority leader; and Senator Judith ''Judy'' T. Won Pat, the assistant minority whip. Past members have included Lagrimas Leon Guerrero Untalan, Cynthia Johnston Torres, Katherine B. Aguon, Carmen Artero Kasperbauer, Madeleine Z. Bordallo, Elizabeth P. Arriola, Pilar C. Lujan, Marilyn D.A. Manibusan, Hermina Duenas Dierking, Marcia K. Hartsock, Martha Cruz Ruth, Doris Flores Brooks, Marilyn Won Pat, Senator Hope A. Cristobal, Senator Carlotta Leon Guerrero, and Senator Elizabeth Barrett-Anderson, who is currently a Superior Court judge. The highest staff position held by a female in the Guam Legislature is deputy director, held by Dorothy Perez.

Women have also made promising gains in the judicial branch as well. Two out of the seven judges of the superior court are women: Frances Tydingco-Gatewood and Judge Katherine A. Maraman. In the past, two out of the three full-time supreme court justices have been women: Justice Janel Healy-Weeks, who retired about 2 years ago, and the late justice Monessa Lujan. Three out of the island's 19 village mayors are women, including Isabel Haggard, who is in her 4th term as the mayor of Piti and is also a former vice president of the mayor's council; Mayor Rita Tainatongo of Merizo, who is serving her first term; and Concepcion B. Duenas, mayor of Tamuning-Tumon, who is also serving her first term. Three out of the five vice mayors are women, including June U. Blas of Barrigada; Melissa B. Savares of Dededo; and Nancy T. Leon Guerrero of Tamuning-Tumon, who are all serving their first term.

Women have also held high positions in political parties. Marilyn D.A. Manibusan was the first and, to date, the only female chairperson of the Republican Party.

As a native of Chamorro from Guam, I am proud to announce some of the ''firsts'' for Chamorro women, a few of which I have mentioned already. Dr. Olivia Cruz was the first Chamorro woman licensed by the Medical Licensure Board; Frances Marie Tydingco Gatewood was the first Chamorro woman judge of the superior court; Elizabeth Gayle was the first Chamorro woman to be civil engineer; Dr. Rosa Robert Carter was the first Chamorro woman president and the only female president of the University of Guam; Mary Inez Underwood was the first woman of Chamorro ancestry to enter the religious life; Elizabeth Barrett Anderson was the first Chamorro woman attorney general; Rosa T. Aguigui Reyes was the first Chamorro woman elected to public office, as a member of the Guam Congress; Dr. Katherine B. Aguon was the first Chamorro woman to earn a Ph.D.

□ 2000

These women in public service have been exemplary for the entire island and for our navigation, and I am truly honored to represent a district with such strong women.

Historically, the women of Guam have always played an important role in Guam society. In pre-Western times in Guam society, the Chamorro society was based on a matrilineal clan system in which women performed important and powerful roles in the lives of the people. Lineage was traced through the female line, and it was the relationships via the mother which determined wealth, social standing and power.

Even with the onset of Western contact, which was patrilineal in nature, particularly the kind of Western contact that was experienced in Guam, which came primarily from Spain. Despite that, the Chamorro female retained much formal and informal power in Guam society. This has carried itself to the present, and girls and women continue to be influential in some social settings in Guam and quite dominant in others.

Openness to female leadership and women in influential roles have been part of the Guam scene, not because of, because in spite of Western contact.

Mr. Speaker, we must also pay tribute to the women whom I have not mentioned by name, yet who have also had a significant impact on our lives: Working women, who fight for equal pay and nondiscriminatory treatment; the women who stand up against domestic and family violence; the women who teach our children to become future leaders; like my mother and my wife Lorraine and even my own daughter Sophia, all of whom have been and still continue to be teachers in more ways than one, and the women who continue to learn in higher education institutions; the female community leaders who advocate for women's issues, lesbian women who are still fighting for the acceptance that they rightfully deserve.

Last but certainly not least, let us pay tribute to mothers, who provide love and direction so our children are raised to become citizens with decency and values; single mothers who make sacrifices everyday so their children can live good lives; daughters who grow up to become independent women of integrity and diligence; and wives who provide companionship and stability.

These are the women we celebrate in March for Women's History Month, and these are the women that we should celebrate all year round.

Mr. Speaker, I urge my colleagues to recognize Women's History Month, not only because women's history is key to American history, but because women have contributed so much to our Nation through their strength, courage and vision.

Mr. Speaker, I would like to make particular note about the passing of a woman who has provided inspiration to all the people of Guam, the Honorable Cynthia Johnston Torres. It is with a great sense of loss that we commemorate Former Senator Torres, a distinguished member of the 3rd Guam legislature, who passed away 2 days ago at the age of 89 on March 6, 2001.

Senator Torres is a noted figure in Guam politics and society. She holds the distinction of being one of the first women to be elected to public office on the Island of Guam. Along with Lagrimas L.G. Untalan, the late senator was elected to serve in the 3rd Guam legislature in 1954.

They were the first and only women elected to Guam's unicameral assembly during the first 10 years of civil government on Guam.

Although women have previously served as appointees to the Guam Congress, an advisory board to Guam's naval governors during the first half of the last century, Senators Torres and Untalan's election marked the first time that women would serve as elected representatives for the people.

Foremost among the reasons behind the candidacy of Guam's first women senators were two specific objectives. These objectives were to define the character of Guam in and the years to come. The candidates intended to set a precedent. They wanted to have Guam's women involved in civic and political affairs. They believed that women should be independent, assertive and outspoken, just like these two women were.

The significant number of women who have since served in key positions and elected to public office demonstrates the fulfillment of this goal and reflects the contributions of these two women, in particular the woman I want to draw attention to today, Ms. Cynthia Johnston Torres.

The other objectives set forth in the 1954 elections was to break the concept of blocked voting, a practice whereby an X placed by a voter on a large box within the ballot automatically casts votes for an entire slate of candidates. During the elections for the first and second Guam legislatures, the forerunner of the Guam Democratic party, the Popular Party, was the only major political party in existence.

Members of this party had absolute control of the first two legislatures. In 1954, Senator Torres' election as an independent to the legislature earned her a prominent position which ensured leadership status when the Territorial Party, which is commonly assumed to be the forerunner of the Guam Republican party, was formed in 1956. Guam voters have since been known to cross party lines and cast votes for candidates they feel most qualified rather than simply for party affiliations.

Mr. Speaker, as a Member of the 3rd Guam legislature, Senator Torres played a vital role in the passage of important legislation, the most notable being Public Law 42, which established trial by jury in certain cases within the jurisdiction of the District Court of Guam. In addition to a wide range of bills, which codified the island of Guam's administrative and corporate procedures, the establishment of the Guam Memorial Hospital, the only civilian hospital, took effect during the senator's tenure and occurred as a result of her efforts.

Although, undoubtedly, a very distinguished political figure, Senator Torres left a more distinct mark in the field of education. Born on July 27, 1911 to William G. and Agueda Iglesias Johnston, the senator took a path not much different from the ones taken by her parents.

As the daughter of prominent educators, her parents' profession led her to devote her life to the field of education. Having received an education in California, Senator Torres returned to Guam in 1932 to become a teacher.

She married a local successful entrepreneur, Jose Calvo Torres shortly thereafter. Mr. Torres passed away in 1946. The senator took over his business ventures and quickly became a respected member of the local business community.

Having noted the lack of educational opportunities for Guam's handicapped children, Senator Torres decided to sell her business interests in 1958 in order to pursue a degree in education and special education, in particular.

Upon completing her master's degree at the University of California in San Diego, she came back to Guam to become a consultant for the island's only school for physically and mentally handicapped children. She later became principal of the Chief Brodie Elementary School. Under her direction, this school developed and implemented educational and vocational programs which she added to the customary custodial care previously provided by the school to handicapped children.

She retired from government service in 1975, and in recent years, she has served the community through her involvement in civic organizations.

She was a member of the University of Guam Board of Regents, the Guam Economic Development Authority, the Marianas Association of Retired Citizens. She was a cofounder and charter member of the Guam Lytico-Bodig Association. She has served as chair to the Guam Memorial Hospital's Board of Trustees and was a past President of the Guam Association of Retired Persons.

For all her work and accomplishments, Senator Torres was conferred numerous awards and commendations, and she has received commendations in the Guam legislature, which has recognized her and commended her for her love and service for the people of Guam.

Mr. Speaker, in addition, she was awarded an honorary Doctor of Law Degree from the University of Guam in 1981, and the distinguished leadership award from the American Biographical Institute for Outstanding Education.

Senator Cynthia Johnston Torres leaves a great legacy of service and devotion to the island and the people of Guam. A pioneer in the field of politics and education, her endeavors and accomplishments provided inspiration to the men and women of Guam.

As we mourn her passing, perseverance and energy will live forever in our hearts.

Mr. Speaker, adios, Senator Torres, yan gof dangkalo na si Yu'os Ma'ase ginen todos I taotaon Guam. You are an inspiration to the people of Guam and to our Nation. During women's history month and beyond, we will celebrate your life and your legacy.

Mr. Speaker, March is more than just Women's History Month in Guam. It is also the month in which we celebrate the indigenous roots of the islands. It started off as Chamorro Week. It has now been expanded to Chamorro Month. And, ironically, it was connected to an event which occurred in 1521, which on March 6, 1521, Ferdinand Magellan, Magallanes, one of the world's most famous explorers, who has since become as the first European to lead a circum-navigation of the earth landed on Guam on March 6, 1521.

In observance of this landing, the people of Guam celebrate what has been known as Discovery Day, and this past Tuesday, March 6, 2001, Guam celebrated the 480th anniversary of Discovery Day.

Mr. Speaker, of course, since that time, there has been much soul searching about the meaning of being discovered, the meaning of contact with the West, and the fact that the people of Guam and, indeed, the people of the Pacific Islands as they interacted with Europeans experienced a number of tragedies, including immediate depopulation, either caused by armed conflict or diseases for which there was no natural immunity in these relatively isolated islands. As a consequence, there has been an attempt to balance how we remember these events.

Indeed, when Ferdinand Magellan first came to Guam in March 6th, 1521, he was at the tail end of his move across the Pacific, had rounded the Cape in South America. By the time they arrived in Guam, his crew was reduced to eating all the rats aboard ship and actually boiling some of the leather in their shoes so that they could perhaps get some sustenance from that, and so it was fortunate for the crew. It was fortunate for Magellan that they happened upon to the island of Guam and indeed the people of Guam replenished them, gave them food and water.

Mr. Speaker, an incident occurred at the time in which the Spaniards claimed that the Chamorro people were trying to steal a little boat, a little skiff, which in the old days of these galleon-type vessels, there would all be like a little boat kind of trailing behind. In retaliation, Magellan landed a crew of people and with crossbows proceeded to kill seven Chamorros.

It is of great irony that many, many centuries later the people of Guam who had this experience, first-time experience with Europeans would actually commemorate Discovery Day, although, somewhat in tongue and cheek these days when this landing is recreated as it was earlier this week, it is the Chamorros who in turn killed the Spaniards. So it has taken on different dimensions.

It is part of a constellation of events, which has come to be known as Chamorro Week and Chamorro Month. I have been intimately involved in this process, because as a young teacher in the 1970s, I, along with a fellow teacher at George Washington High School in Guam, first conceptualized the idea of celebrating the indigenous culture and language and food and customs and art of the people of Guam.

Mr. Speaker, at that time, many of these items were thought to be of little social value, of absolutely minimal educational value. It was our intent at that time to not only highlight and celebrate and commemorate this beautiful culture, which had been 4,000 years in the making and which we have inherited for generation upon generation, to try to reflect upon it and the changes which have occurred on it and find room for it in the curriculum of the public schools and, indeed, all the schools of the island.

At the time that we did it, it was not originally widely accepted. Since that time, Chamorro Week celebration has become very widely accepted and is now practiced throughout the schools, and in many ways was part of a larger effort to reintroduce the essence of the culture and the language of the people of Guam into the public schools.

Today children in Guam are learning the Chamorro language and learning much about their heritage and much about their past in ways that would have been thought unthinkable when I was in elementary school. We feel very good about that, and we feel that March is a good time to reflect upon that and as we juxtapose the circumstances surrounding the arrival of Ferdinand Magellan and all those things, all of the events which followed that so-called discovery and the changes of this culture that has come to be known as the Chamorro culture of the Mariana Islands, of which Guam is the largest islands, more probably appropriately called the culture of the taotaomonas, the people of the land.

□ 2015

Now, throughout this whole time period, if we go back this 480 years, I take this opportunity to raise the historical background to the House, and I do this annually in order to draw attention to the fact that the people of Guam and, indeed, the people of all small Pacific island societies have a great challenge ahead of them; and that challenge is to survivor this century.

In many ways, the people, the indigenous Pacific islanders of the world feel impinged upon and feel that many of the things that they find familiar will be so dramatically altered over time that they will cease to exist as peoples, not just cease to exist as individuals, but that maybe three or four or five generations from now there will be no one who will identify themselves proudly as Chamorros and understand the meaning of that.

It is with some note of melancholy that I draw attention to this, because one of the most beautiful parts of it is the fact of the use of the Chamorro language, a language which I grew up with and which I know reasonably well. Yet, it pains me to know that succeeding generations do not know it as well.

So we use this opportunity to reflect upon the condition, the cultural condition and the social condition of our people as we engage upon this celebration and as we engage upon this commemoration.

It also provides some understanding to the kinds of legislation which I have introduced, including H.R. 308, an act to establish a Guam War Claims Review Commission which speaks to the experience of the Chamorro people during World War II, and a House concurrent resolution which I introduced in the past Congress and which I will introduce in this Congress, a resolution to reaffirm the commitment of the United States to help Guam achieve full self-governance.

After more than four centuries of colonial rule under Spain, under Japan, indeed under America, the people of Guam are entering a new world of self-discovery. Discovery by others is not nearly as important as discovery of oneself. And definition by others is meaningless if you cannot initially define yourself. And determination of your future pales in significance to self-determination.

So Guam in full partnership with the United States and in its strong desire to remain an integral part of the United States is now undergoing a process of self-discovery and self-definition and ultimately self-determination.

This process will eventually wind its way through this body as it has through the hearts and minds of the people of Guam, and it will call upon each and every one of us to, not only treat with respect the experiences of Guam, but to apply fully the best principles of democracy which makes America the great Nation that she is.

In the coming weeks, I will explain in greater detail H.R. 308 and the concurrent resolution which reaffirms the United States' commitment to help Guam achieve full self-governance. Both of these proposals seek justice for the people of Guam and true and full democracy and fair play as unique members of the American family.

In conclusion, I must believe that the people of Guam celebrate Discovery Day, this ironic holiday for us. It is a holiday in Guam, I might add, to recognize our rich culture and understand our unique history. This will enable us to understand how we are perceived and allow us to articulate our true history so that we, along with the United States, in this new century can redefine and maintain our strong relationship and allow Guam a greater voice in how the island is governed.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SHOWS (at the request of Mr. GEPHARDT) for today on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. HOOLEY of Oregon) to revise and extend their remarks and include extraneous material:)

Mrs. MALONEY of New York, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mrs. JONES of Ohio, for 5 minutes, today.

Ms. MILLENDER-MCDONALD, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Ms. KILPATRICK, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Ms. SLAUGHTER, for 5 minutes, today.

Ms. ESHOO, for 5 minutes, today.

(The following Member (at the request of Mr. PLATTS) to revise and extend his remarks and include extraneous material:)

Mr. THUNE, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GRUCCI, for 5 minutes, today.

ENROLLED JOINT RESOLUTION SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 19. Joint resolution providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 6. A joint resolution providing for congressional disapproval of the rule submitted by the Department of Labor under chapter 8 of title 5, United States Code, relating to ergonomics.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House, reports that on March 8, 2001 he presented to the President of the United States, for his approval, the following bill:

H.J. Res. 19. Providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution.

ADJOURNMENT

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until Monday, March 12, 2001, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1144. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Olives Grown in California; Increased Assessment Rate [Docket No. FV01–932–1 IFR] received March 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1145. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Tomatoes Grown in Florida; Change in Size Designation [Docket No. FV00–966–1 FIR] received March 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1146. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Sweet Onions Grown in the Walla Walla Valley of Southeast Washington and Northeast Oregon; Revision of Administrative Rules and Regulations [Docket No. FV00–956–1 FIR] received March 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1147. A letter from the Acting Administrator, Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting the Department's final rule—Hazelnuts Grown in Oregon and Washington; Establishment of Interim and Final Free and Restricted Percentages for the 2000–2001 Marketing Year [Docket No. FV01–982–1 IFR] received March 6, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1148. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the annual report on proliferation of missiles and essential components of nuclear, biological, and chemical weapons, pursuant to 22 U.S.C. 2751 nt. Public Law 102—190; to the Committee on Armed Services.

1149. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal No. 04–01, concerning a proposed project certification for Annex E on Lethality to the Memorandum of Agreement (MOA) Between the United States and Germany concerning a cooperative program for extended air defense, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

1150. A letter from the Director, International Cooperation, Department of Defense, transmitting a copy of Transmittal No. 06–01 which informs of plans to Conclude Amendment One to the Memorandum of Understanding with the NATO HAWK Production and Logistics Organization for the Fire Direction Operation Center Project, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

1151. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1152. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report entitled, ''Report of U.S. Citizen Expropriation Claims and Certain Other Commercial and Investment Disputes''; to the Committee on International Relations.

1153. A letter from the Comptroller General, General Accounting Office, transmitting a list of all reports issued or released in January 2001, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform.

1154. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Annual Inventory of Commercial Activities for 2000; to the Committee on Government Reform.

1155. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report on FY 2000 Accountability; to the Committee on Government Reform.

1156. A letter from the Inspector General, Nuclear Regulatory Commission, transmitting a report on the Federal Activities Inventory Reform Act Inventory of Potential Commercial Activities; to the Committee on Government Reform.

1157. A letter from the Acting Assistant Administrator for Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting a report on the Status of Fisheries of the United States; to the Committee on Resources.

1158. A letter from the Chief Justice, Supreme Court of the United States, transmitting a copy of the Report of the Proceedings of the Judicial Conference of the United States, held in Washington D.C., on September 19, 2000, pursuant to 28 U.S.C. 331; to the Committee on the Judiciary.

1159. A letter from the Chairman, Federal Maritime Commission, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 2000, pursuant to 5 U.S.C. 552b(j); to the Committee on Transportation and Infrastructure.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. EVANS (for himself, Mr. FILNER, Mr. GUTIERREZ, Ms. BROWN of Florida, Mr. PETERSON of Minnesota, Ms. CARSON of Indiana, Mr. REYES, Mr. RODRIGUEZ, Mr. SHOWS, Ms. BERKLEY, Mr. UDALL of New Mexico, Mrs. JONES of Ohio, Mr. SANDERS, Mr. LUCAS of Kentucky, Mr. ETHERIDGE, Mr. KILDEE, Mr. ACKERMAN, Mr. MCGOVERN, Mr. HINOJOSA, Mr. RAHALL, Mr. BONIOR, Ms. MCKINNEY, Mr. LIPINSKI, Mr. WEINER, Mr. BOUCHER, Mr. STUPAK, Ms. HOOLEY of Oregon, Mr. FROST, Mr. TIERNEY, Mrs. MEEK of Florida, Mr. KING, Mr. OBERSTAR, Mr. BISHOP, Mr. DAVIS of Florida, Mr. HASTINGS of Florida, Mr. LANGEVIN, Mr. DEFAZIO, Mr. HOLDEN, Mr. MURTHA, Mrs. MCCARTHY of New York, Mr. HALL of Ohio, Ms. WOOLSEY, Mr. COYNE, Mr. TAYLOR of Mississippi, Mr. BLAGOJEVICH, Mr. EDWARDS, Ms. BALDWIN, Mr. CRAMER, Mrs. MINK of Hawaii, Ms. DELAURO, Mr. BRADY of Pennsylvania, Mr. ISAKSON, Mr. GORDON, Mr. ALLEN, Mrs. KELLY, Mr. PALLONE, Mr. FRANK, Mr. PAYNE, Mr. PASCRELL, Ms. MCCOLLUM, Mr. FALEOMAVAEGA, Mr. BORSKI, Mr. PHELPS, Mrs. CLAYTON, Mr. HINCHEY, Ms. RIVERS, Ms. SCHAKOWSKY, Mr. LUCAS of Oklahoma, Mr. LAMPSON, Mr. STRICKLAND, Ms. LOFGREN, Mr. PRICE of North Carolina, Mr. UPTON, Mr. SANDLIN, Mr. ORTIZ, Mr. QUINN, Mr. BECERRA, Ms. MILLENDER-MCDONALD, Mr. WEXLER, Mr. WU, Ms. KAPTUR, Mr. KENNEDY of Rhode Island, Mr. THOMPSON of California, Ms. WATERS, Mr. CLYBURN, Ms. JACKSON-LEE of Texas, Mr. GONZALEZ, Mr. FLETCHER, Mr. SNYDER, Mr. RANGEL, and Mr. CAPUANO):

H.R. 936. A bill to amend title 38, United States Code, to improve programs for homeless veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. POMBO:

H.R. 937. A bill to prohibit the use of Federal funds for any program that restricts the use of any privately owned water source; to the Committee on Transportation and Infrastructure.

By Mr. MCGOVERN (for himself, Mr. HOUGHTON, Mr. LEWIS of Georgia, Ms. PELOSI, Mr. FRANK, and Ms. MILLENDER-MCDONALD):

H.R. 938. A bill to enhance the capability of the United Nations to rapidly respond to emerging crises; to the Committee on International Relations.

By Mr. KNOLLENBERG:

H.R. 939. A bill to reaffirm and clarify the Federal relationship of the Swan Creek Black River Confederated Ojibwa Tribes of Michigan as a distinct federally recognized Indian tribe and to restore aboriginal rights, and for other purposes; to the Committee on Resources.

By Mr. CHABOT (for himself, Ms. KAPTUR, Mr. GEKAS, and Mr. SHIMKUS):

H.R. 940. A bill to establish a statute of repose for durable goods used in a trade or business; to the Committee on the Judiciary.

By Mr. CLYBURN:

H.R. 941. A bill to require the use of adjusted census data in the administration of any law of the United States under which population or population characteristics are used to determine the amount of benefits received by State or local governments, and for other purposes; to the Committee on Government Reform.

By Mr. COLLINS:

H.R. 942. A bill to amend the Internal Revenue Code of 1986 to reduce individual income tax rates and increase the standard deduction; to the Committee on Ways and Means.

By Mr. CONDIT (for himself, Mr. UDALL of New Mexico, and Mrs. EMERSON):

H.R. 943. A bill to amend the Public Health Service Act with respect to the availability of influenza vaccine through the program under section 317 of such Act; to the Committee on Energy and Commerce.

By Ms. DEGETTE (for herself and Mr. UDALL of Colorado):

H.R. 944. A bill to designate certain lands in the State of Colorado as components of the National Wilderness Preservation System, and for other purposes; to the Committee on Resources.

By Mr. DIAZ-BALART (for himself, Mr. CROWLEY, Ms. ROS-LEHTINEN, Mr. MENENDEZ, Mr. BLAGOJEVICH, Ms. BROWN of Florida, Mr. CAPUANO, Mr. TOM DAVIS of Virginia, Mr. DELAHUNT, Mr. DEUTSCH, Ms. ESHOO, Mr. FARR of California, Mr. FILNER, Mr. FOLEY, Mr. GILMAN, Ms. JACKSON-LEE of Texas, Mr. LANTOS, Ms. LEE, Ms. LOFGREN, Mr. MARKEY, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MOAKLEY, Mr. MORAN of Virginia, Mrs. MORELLA, Mr. PASCRELL, Mr. ROTHMAN, Mr. SERRANO, Mr. SMITH of New Jersey, Mr. TOWNS, Mr. WEXLER, and Mr. WYNN):

H.R. 945. A bill to adjust the immigration status of certain Colombian and Peruvian nationals who are in the United States; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 946. A bill to amend the Internal Revenue Code of 1986 to allow drug manufacturers a credit against income tax if they certify that the price of a drug in the United States market is not greater than its price in the Canadian or Mexican market; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 947. A bill to amend the Internal Revenue Code of 1986 to allow individual retirement accounts to exclude income with respect to certain debt-financed real property from the tax on unrelated business taxable income; to the Committee on Ways and Means.

By Mr. EVANS (for himself, Mr. QUINN, Mr. MCGOVERN, Ms. BALDWIN, Mrs. MALONEY of New York, Mr. MARKEY, Mr. LUTHER, Mr. LAHOOD, Mr. BARRETT, Mr. UDALL of Colorado, Ms. WATERS, Mr. MEEHAN, Mr. GUTIERREZ, Mr. CAPUANO, Mr. FILNER, Mr. TIERNEY, Mr. HALL of Ohio, Ms. PELOSI, Mr. BOUCHER, Mr. SANDERS, Mr. ALLEN, Mrs. MORELLA, Mrs. ROUKEMA, Mr. MORAN of Virginia, Mr. HOEFFEL, Mr. COOKSEY, Mr. NADLER, Mr. ABERCROMBIE, Ms. WOOLSEY, Mrs. MINK of Hawaii, and Mr. MOAKLEY):

H.R. 948. A bill to express the sense of Congress that the Department of Defense should field currently available weapons and other technologies, and use tactics and operational concepts, that provide suitable alternatives to anti-personnel mines and mixed anti-tank mine systems and that the United States should end its use of such mines and join the Convention on the Prohibition of Anti-Personnel Mines as soon as possible, to expand support for mine action programs including mine victim assistance, and for other purposes; to the Committee on International Relations, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FOSSELLA:

H.R. 949. A bill to provide funds to States to establish and administer periodic teacher testing and merit pay programs for elementary and secondary school teachers; to the Committee on Education and the Workforce.

By Mr. HOSTETTLER (for himself, Mr. GOODE, Mr. SHOWS, Mr. SHADEGG, Mr. YOUNG of Alaska, Mr. SCHAFFER, Mr. CANNON, Mr. HALL of Texas, Mr. CANTOR, Mr. HILLEARY, Mr. SOUDER, and Mr. GIBBONS):

H.R. 950. A bill to amend title 18 of the United States Code to provide for reciprocity in regard to the manner in which nonresidents of a State may carry certain concealed firearms in that State; to the Committee on the Judiciary.

By Mr. HOUGHTON (for himself and Mr. NEAL of Massachusetts):

H.R. 951. A bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financings to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes; to the Committee on Ways and Means.

By Mr. HOYER (for himself, Mr. EHRLICH, Mr. MEEHAN, Mr. SHIMKUS, Mr. BOUCHER, Mr. REYES, and Mr. WALSH):

H.R. 952. A bill to grant a Federal charter to Korean War Veterans Association, Incorporated; to the Committee on the Judiciary.

By Mr. INSLEE (for himself, Mr. SPENCE, and Mr. CANTOR):

H.R. 953. A bill to amend the Public Health Service Act to authorize grants to carry out programs to improve recovery rates for organs in eligible hospitals; to the Committee on Energy and Commerce.

By Mr. INSLEE (for himself, Mr. BARTLETT of Maryland, Mr. EHLERS, Mrs. MINK of Hawaii, Ms. SLAUGHTER, Mr. BAIRD, Mr. UDALL of Colorado, Mr. TIERNEY, Mr. KUCINICH, Mr. LEACH, Mr. GUTIERREZ, Mr. HINCHEY, Mr. MCDERMOTT, Mr. LEWIS of Georgia, and Ms. BALDWIN):

H.R. 954. A bill to amend the Federal Power Act to promote energy independence and self-sufficiency by providing for the use of net metering by certain small electric energy generation systems, and for other purposes; to the Committee on Energy and Commerce.

By Mr. INSLEE:

H.R. 955. A bill to amend the Public Health Service Act to provide for a National Living Organ Donor Registry; to the Committee on Energy and Commerce.

By Mrs. JOHNSON of Connecticut (for herself, Mr. LEVIN, Mr. CARDIN, Mr. MALONEY of Connecticut, Mr. LARSON

of Connecticut, Mr. HILLIARD, Mr. SHAYS, Mr. WATKINS, Mr. STRICKLAND, Mr. HINCHEY, Mr. CRAMER, Mrs. MALONEY of New York, Mr. RANGEL, Mr. ENGLISH, Mr. FROST, Mr. MCNULTY, Mr. JEFFERSON, Mr. HOUGHTON, Ms. ROYBAL-ALLARD, Mr. FRANK, Mr. BALDACCI, Mr. CAMP, Mr. DAVIS of Illinois, Mr. SHIMKUS, Mr. COYNE, Mr. MATSUI, Mr. WALSH, Mr. SAXTON, Mr. MCDERMOTT, Mr. GEORGE MILLER of California, Mr. GUTIERREZ, Ms. KILPATRICK, Mr. MENENDEZ, Ms. BALDWIN, Mr. RAMSTAD, Mrs. MORELLA, Mr. BARRETT, Ms. SCHAKOWSKY, Ms. LEE, Mr. ABERCROMBIE, Mr. HAYWORTH, Ms. DELAURO, Mr. HALL of Ohio, Mr. ENGEL, Mr. SIMMONS, Mr. SANDLIN, Mr. KLECZKA, and Mr. SHAW):

H.R. 956. A bill to amend titles IV and XX of the Social Security Act to restore funding for the Social Services Block Grant, and restore for fiscal year 2002 the ability of States to transfer up to 10 percent of funds from the program of block grants to States for temporary assistance for needy families to carry out activities under the Social Services Block Grant; to the Committee on Ways and Means.

By Mr. KELLER:

H.R. 957. A bill to improve the prevention and punishment of criminal smuggling, transporting, and harboring of aliens, and for other purposes; to the Committee on the Judiciary.

By Mr. KILDEE (for himself, Mr. SCOTT, Mr. GEORGE MILLER of California, and Mrs. MCCARTHY of New York):

H.R. 958. A bill to assist local educational agencies in financing and establishing alternative education systems, and for other purposes; to the Committee on Education and the Workforce.

By Mr. KLECZKA (for himself, Mr. HERGER, Mr. BLUMENAUER, Mr. MATSUI, Ms. WOOLSEY, Ms. BALDWIN, Ms. ROYBAL-ALLARD, Mr. LAMPSON, and Mr. CUNNINGHAM):

H.R. 959. A bill to amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes; to the Committee on Ways and Means.

By Mr. KOLBE:

H.R. 960. A bill to amend the Internal Revenue Code of 1986 to expand the incentives for transferring land or easements therein for conservation purposes; to the Committee on Ways and Means.

By Mr. LANTOS (for himself, Mr. ACKERMAN, Mr. BARRETT, Mr. BERMAN, Mr. BONIOR, Mr. BRADY of Pennsylvania, Mr. BROWN of Ohio, Ms. CARSON of Indiana, Mr. DELAHUNT, Ms. ESHOO, Mr. EVANS, Mr. FILNER, Mr. FRANK, Mr. FROST, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. JACKSON of Illinois, Ms. KAPTUR, Ms. KILPATRICK, Mr. KUCINICH, Mr. LEWIS of Georgia, Mr. LIPINSKI, Mrs. LOWEY, Mrs. MALONEY of New York, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MCNULTY, Mr. MATSUI, Mr. GEORGE MILLER of California, Mr. NEAL of Massachusetts, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Mr. OWENS, Ms. PELOSI, Mr. PHELPS, Mr. RANGEL, Mr. RUSH, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. SHERMAN, Mr. STARK, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. UNDERWOOD, Ms. VELÁZQUEZ, Ms. WOOLSEY, and Mr. WYNN):

H.R. 961. A bill to amend the Fair Labor Standards Act of 1938 to reform the provisions relating to child labor; to the Committee on Education and the Workforce.

By Mrs. MALONEY of New York (for herself, Mr. MALONEY of Connecticut, Mr. HONDA, Mr. BONIOR, Mr. BLAGOJEVICH, Ms. BALDWIN, Ms. CARSON of Indiana, Mr. SERRANO, Mr. CAPUANO, Mr. BALDACCI, and Mrs. MCCARTHY of New York):

H.R. 962. A bill to amend the Mineral Leasing Act to make available for the low-income home energy assistance program 5 percent of moneys received by the United States from onshore Federal oil and gas development; to the Committee on Resources, and in addition to the Committees on Education and the Workforce, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MICA:

H.R. 963. A bill to provide compensation for certain World War II veterans who survived the Bataan Death March and were held as prisoners of war by the Japanese; to the Committee on Armed Services.

By Mr. NADLER:

H.R. 964. A bill to amend the Immigration and Nationality Act to exempt certain elderly persons from demonstrating an understanding of the English language and the history, principles, and form of government of the United States as a requirement for naturalization, and to permit certain other elderly persons to take the history and government examination in a language of their choice; to the Committee on the Judiciary.

By Ms. NORTON:

H.R. 965. A bill to amend title 23, United States Code, to require States to adopt and enforce standards that prohibit the use of racial profiling in the enforcement of State laws regulating the use of Federal-aid highways; to the Committee on Transportation and Infrastructure.

By Mr. PAUL (for himself, Mr. GRAHAM, Mr. HILLEARY, Mr. TANCREDO, Mr. SHADEGG, Mr. DOOLITTLE, Mr. BURTON of Indiana, Mr. DEMINT, and Mr. SAM JOHNSON of Texas):

H.R. 966. A bill to prohibit the Federal Government from planning, developing, implementing, or administering any national teacher test or method of certification and from withholding funds from States or local educational agencies that fail to adopt a specific method of teacher certification; to the Committee on Education and the Workforce.

By Ms. PRYCE of Ohio (for herself, Mrs. MALONEY of New York, Mrs. MYRICK, and Mr. BENTSEN):

H.R. 967. A bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require group and individual health insurance coverage and group health plans to provide coverage for individuals participating in approved cancer clinical trials; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RAMSTAD (for himself, Mr. TANNER, Mr. HOUGHTON, Mr. LEWIS of Kentucky, Mr. BUYER, Mr. TAYLOR of Mississippi, Mr. WATKINS, Mr. SIMMONS, and Mr. COOKSEY):

H.R. 968. A bill to amend the Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income the deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States; to the Committee on Ways and Means.

By Mr. STUMP (for himself, Mr. PAUL, Mr. TANCREDO, Mr. ROHRABACHER, Mr. NORWOOD, Mr. RILEY, Mr. DOOLITTLE, Mr. COBLE, Mr. BARTLETT of Maryland, Mr. KING, Mr. TRAFICANT, Mr. GOODE, Mr. EVERETT, Mr. DEAL of Georgia, Mr. BAKER, Mr. GOODLATTE, Mr. FLAKE, Mr. ISTOOK, Mr. CRANE, Mr. CALLAHAN, Mr. DUNCAN, Mr. SENSENBRENNER, Mr. HOSTETTLER, Mr. RYUN of Kansas, Mrs. ROUKEMA, Mrs. CUBIN, Mr. COLLINS, Mr. HEFLEY, Mr. CULBERSON, Mr. HANSEN, and Mr. BURTON of Indiana):

H.R. 969. A bill to provide that Executive Order 13166 shall have no force or effect, and to prohibit the use of funds for certain purposes; to the Committee on Government Reform.

By Mr. TIERNEY (for himself, Mr. GEORGE MILLER of California, Mr. SANDLIN, Mr. WU, Mr. FORD, Mr. ALLEN, Mr. CROWLEY, Mr. FATTAH, Mr. GREEN of Texas, Mr. MEEHAN, Mr. ANDREWS, Mr. BROWN of Ohio, Mr. CAPUANO, Ms. CARSON of Indiana, Mr. DELAHUNT, Mrs. JONES of Ohio, Mr. KILDEE, Mrs. MCCARTHY of New York, Mr. MCGOVERN, Mr. OLVER, Mr. SCOTT, Mrs. CHRISTENSEN, Ms. DELAURO, Mr. FRANK, Ms. KILPATRICK, Ms. MCKINNEY, Ms. MILLENDER-MCDONALD, Mr. NADLER, Mr. HINCHEY, Mr. KENNEDY of Rhode Island, Mr. MOAKLEY, Mr. PAYNE, Mr. JEFFERSON, Mr. KIND, Mr. KUCINICH, Ms. LEE, Mr. MARKEY, Mrs. MINK of Hawaii, Mr. NEAL of Massachusetts, Mr. OWENS, Mr. PASCRELL, Ms. SANCHEZ, Mr. SAWYER, Mr. STUPAK, Mr. WAXMAN, Ms. WOOLSEY, Mr. FROST, Mr. STARK, Ms. ESHOO, Mr. LANTOS, Mr. CLEMENT, Ms. PELOSI, Mr. BONIOR, and Ms. SOLIS):

H.R. 970. A bill to amend the Safe and Drug-Free Schools and Communities Act of 1994 to provide comprehensive technical assistance and implement prevention programs that meet a high scientific standard of program effectiveness; to the Committee on Education and the Workforce.

By Mr. WALDEN of Oregon (for himself, Mr. SIMPSON, and Mr. INSLEE):

H.R. 971. A bill to require that payment be guaranteed whenever any supplier of electric energy is required to sell electric energy to a purchaser under the emergency authority of section 202(c) of the Federal Power Act, and for other purposes; to the Committee on Energy and Commerce.

By Ms. WOOLSEY:

H.R. 972. A bill to amend the Elementary and Secondary Education Act of 1965 to strengthen the involvement of parents in the education of their children, and for other purposes; to the Committee on Education and the Workforce.

By Mr. HUNTER (for himself, Mr. CUNNINGHAM, Mr. ISSA, Mrs. DAVIS of California, Mrs. BONO, Mr. LEWIS of California, Mr. HERGER, Mr. DREIER, Mr. CALVERT, Mr. GARY MILLER of California, Mr. DOOLITTLE, Mr. RADANOVICH, Mr. HORN, Mr. ROHRABACHER, Mr. POMBO, Mrs. TAUSCHER, Mr. THOMAS, Mr. MATSUI, Mr. FILNER, Mr. SHERMAN, Mr. MCKEON, Mr. OSE, Mr. BERMAN, and Mr. LANTOS):

H. Con. Res. 57. Concurrent resolution condemning the heinous atrocities that occurred on March 5, 2001, at Santana High School in Santee, California; to the Committee on Education and the Workforce.

By Ms. KAPTUR (for herself and Mr. WELDON of Pennsylvania):

H. Con. Res. 58. Concurrent resolution urging the President of Ukraine to support democratic ideals, the rights of free speech, and free assembly for Ukrainian citizens; to the Committee on International Relations.

By Mr. MCKEON:

H. Con. Res. 59. Concurrent resolution expressing the sense of Congress regarding the establishment of National Shaken Baby Syndrome Awareness Week; to the Committee on Government Reform.

By Mr. PORTMAN:

H. Res. 85. A resolution designating majority membership on certain standing committees of the House; considered and agreed to.

By Ms. SCHAKOWSKY (for herself, Mr. LANTOS, Mrs. LOWEY, Ms. PELOSI, Ms. MILLENDER-MCDONALD, Mrs. MALONEY of New York, Mr. CONYERS, Mr. BLAGOJEVICH, Ms. WOOLSEY, Mrs. MINK of Hawaii, Mrs. MEEK of Florida, Ms. ROYBAL-ALLARD, Ms. ESHOO, Mrs. JONES of Ohio, Ms. BALDWIN, Ms. MCCOLLUM, Ms. MCCARTHY of Missouri, Mrs. NAPOLITANO, Mr. BARRETT, Ms. CARSON of Indiana, Ms. NORTON, Ms. MCKINNEY, Mrs. DAVIS of California, Mrs. JOHNSON of Connecticut, Mrs. CHRISTENSEN, Mrs. BIGGERT, and Ms. CAPITO):

H. Res. 86. A resolution supporting the goals of International Women's Day; to the Committee on International Relations, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Ms. LOFGREN, Mr. KELLER, Mr. BOEHLERT, and Mr. FORD.

H.R. 25: Mr. CAPUANO and Mr. REYNOLDS.

H.R. 31: Mr. OTTER.

H.R. 40: Ms. CARSON of Indiana, Mrs. JONES of Ohio, Ms. JACKSON-LEE of Texas, and Mr. MCDERMOTT.

H.R. 87: Ms. CARSON of Indiana, Ms. VELÁZQUEZ, and Mr. BONIOR.

H.R. 97: Mrs. JO ANN DAVIS of Virginia, Mr. EVANS, Mr. TOWNS, Mr. FERGUSON, Mr. MICA, and Mr. TRAFICANT.

H.R. 116: Ms. WOOLSEY and Mr. JEFFERSON.

H.R. 117: Ms. WOOLSEY.

H.R. 126: Mr. GUTIERREZ, Mr. EVANS, Mr. HINCHEY, Mr. OBERSTAR, Mr. SANDERS, Mr. BLUMENAUER, Ms. VELÁZQUEZ, and Mr. DEFAZIO.

H.R. 128: Mr. GONZALEZ, Mr. STARK, Ms. CARSON of Indiana, Mr. TOWNS, and Mr. LANTOS.

H.R. 147: Mr. KILDEE and Mr. PETERSON of Pennsylvania.

H.R. 152: Mrs. JO ANN DAVIS of Virginia.

H.R. 159: Mr. GOODLATTE, Mr. HORN, and Mr. RAMSTAD.

H.R. 174: Mr. FRANK.

H.R. 175: Mr. WELDON of Florida, Mr. BEREUTER, Mr. SAM JOHNSON of Texas, Mr. PAUL, Mr. HOEKSTRA, and Mr. DOOLITTLE.

H.R. 179: Mr. DIAZ-BALART, Mr. EVANS, Mr. LEWIS of Kentucky, Mrs. MINK of Hawaii, Mr. RANGEL, and Mr. BARR of Georgia.

H.R. 183: Mr. PASCRELL, Mrs. MALONEY of New York, Ms. LEE, Mrs. MEEK of Florida, Mrs. MORELLA, Mr. FROST, Mr. WEXLER, Ms. VELÁZQUEZ, Mr. BRADY of Pennsylvania, and Ms. CARSON of Indiana.

H.R. 184: Mr. DEFAZIO.

H.R. 214: Ms. HARMAN.

H.R. 219: Mr. GOODE.

H.R. 241: Mr. LEWIS of Kentucky.

H.R. 244: Ms. HART.

H.R. 253: Mr. FILNER and Mr. CLAY.

H.R. 257: Mr. RYUN of Kansas, Mr. HOEKSTRA, Mr. BARTLETT of Maryland, Mr. HOSTETTLER, Mr. SCHAFFER, Mr. TANCREDO, Mr. CRENSHAW, and Mr. SENSENBRENNER.

H.R. 267: Mr. HERGER, Mr. SCHAFFER, and Mr. OTTER.

H.R. 268: Ms. LEE, Ms. MCKINNEY, and Mr. HUNTER.

H.R. 281: Mr. GUTIERREZ and Mr. LANTOS.

H.R. 301: Mrs. THURMAN.

H.R. 302: Mrs. THURMAN.

H.R. 303: Mr. MOAKLEY, Mr. KENNEDY of Rhode Island, and Mrs. ROUKEMA.

H.R. 308: Mr. RAHALL.

H.R. 336: Mr. RANGEL.

H.R. 340: Mr. ACEVEDO-VILA.

H.R. 356: Mrs. JO ANN DAVIS of Virginia.

H.R. 367: Mr. ANDREWS, Mr. GUTIERREZ, Ms. CARSON of Indiana, and Mr. PAYNE.

H.R. 384: Mr. KUCINICH.

H.R. 399: Mr. ROEMER, Mr. NADLER, Mr. CUMMINGS, Mr. COLLINS, Ms. BROWN of Florida, Mr. HILLIARD, Mr. LAFALCE, Mr. CONYERS, and Ms. WATERS.

H.R. 425: Mr. UDALL of Colorado.

H.R. 427: Ms. HOOLEY of Oregon.

H.R. 428: Mr. LEWIS of California, Ms. PELOSI, Mr. FRANK, Mr. BARTON of Texas, Mr. HILLEARY, Mr. FALEOMAVAEGA, and Mrs. JO ANN DAVIS of Virginia.

H.R. 436: Mrs. KELLY.

H.R. 437: Mr. CRENSHAW and Mr. CALVERT.

H.R. 443: Mr. KUCINICH.

H.R. 445: Mr. POMBO, Mr. RADANOVICH, Mr. SHADEGG, Mr. ROHRABACHER, Mr. DOOLITTLE, Mr. HEFLEY, and Mr. SCHAFFER.

H.R. 453: Ms. CARSON of Indiana.

H.R. 459: Mr. SHERMAN and Mr. KUCINICH.

H.R. 471: Ms. SCHAKOWSKY.

H.R. 499: Mr. KIRK.

H.R. 503: Mr. BARTLETT of Maryland, Mr. DUNCAN, and Mr. CRANE.

H.R. 510: Mr. SMITH of Texas, Mr. LEWIS of Kentucky, Mr. ROSS, Mr. FRANK, Mr. STEARNS, Mrs. LOWEY, and Mr. SANDERS.

H.R. 511: Mr. ROSS, Mr. FRELINGHUYSEN, Mr. CLEMENT, Mr. LEVIN, and Mr. SCHIFF.

H.R. 516: Mr. CLEMENT, Mrs. JO ANN DAVIS of Virginia, Mr. TURNER, Mr. FRANK, Mr. LIPINSKI, Mr. SENSENBRENNER, and Mr. BALDACCI.

H.R. 521: Mr. RAHALL and Mr. CONYERS.

H.R. 526: Mr. BRADY of Pennsylvania, Ms. HOOLEY of Oregon, Mr. OLVER, Mr. FILNER, and Ms. WOOLSEY.

H.R. 539: Mr. GIBBONS, Mr. KELLER, and Mr. LAHOOD.

H.R. 572: Mr. WAMP and Mr. SAXTON.

H.R. 573: Ms. DELAURO, Mr. MCGOVERN, Mrs. MALONEY of New York, Ms. JACKSON-LEE of Texas, Ms. NORTON, and Mr. DEUTSCH.

H.R. 577: Mr. GOODE.

H.R. 582: Mrs. NORTHUP.

H.R. 600: Mr. WELDON of Pennsylvania.

H.R. 602: Mr. ENGEL, Mr. FERGUSON, Mr. TURNER, Mr. BAIRD, and Ms. SOLIS.

H.R. 606: Mr. FRANK, Mr. BRADY of Pennsylvania, Mr. ANDREWS, Mr. FILNER, Mr. BERMAN, Mr. SHAW, Mrs. KELLY, Mr. LANGEVIN, and Mr. ROTHMAN.

H.R. 612: Ms. MCCARTHY of Missouri, Ms. SOLIS, Mr. BOUCHER, Mr. DAVIS of Illinois, and Mr. ISAKSON.

H.R. 620: Ms. LEE, Ms. CARSON of Indiana, and Mr. FATTAH.

H.R. 622: Mr. BALLENGER, Mr. BOEHNER, Mr. CASTLE, Mr. COBLE, Mr. DREIER, Mr. LINDER, Mr. MANZULLO, Mr. MORAN of Kansas, Mr. GREEN of Wisconsin, Mr. HASTINGS of Washington, Mr. HOEKSTRA, Mr. HULSHOF, Mr. ROHRABACHER, and Mr. WATTS of Oklahoma.

H.R. 630: Ms. RIVERS, Mr. KILDEE, Mrs. MCCARTHY of New York, and Mr. EVANS.

H.R. 631: Mr. SOUDER, Mr. WATT of North Carolina, and Mr. ROSS.

H.R. 638: Mrs. MINK of Hawaii, Mr. GUTIERREZ, Mr. WAXMAN, and Ms. VELÁZQUEZ.

H.R. 641: Mr. CAPUANO, Mr. DEUTSCH, Mr. FILNER, Mr. FORD, Mr. FROST, Mr. HOEFFEL, Mrs. JONES of Ohio, Mr. LEWIS of Georgia, Mrs. LOWEY, Mr. MATSUI, Mr. MEEKS of New York, Mrs. NAPOLITANO, Ms. SCHAKOWSKY, Mr. SHERMAN, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. REYES, Mr. DELAHUNT, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. WEINER, Ms. NORTON, Mr. BOEHNER, Mr. YOUNG of Alaska, Mr. OSBORNE, Mr. DOOLITTLE, Mr. REHBERG, Mr. HOUGHTON, and Mr. GANSKE.

H.R. 642: Mr. BARTLETT of Maryland.

H.R. 659: Mr. BURTON of Indiana, Ms. SCHAKOWSKY, Mrs. JO ANN DAVIS of Virginia, Ms. NORTON, Mrs. TAUSCHER, Mr. BLAGOJEVICH, Mr. BONIOR, Mr. SHAYS, Mr. WALSH, Mrs. JONES of Ohio, Ms. DEGETTE, Ms. RIVERS, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MILLENDER-MCDONALD, Ms. LEE, Mrs. LOWEY, Mr. BAIRD, Mr. SNYDER, Mr. SANDLIN, Mr. HASTINGS of Florida, Mr. BALDACCI, Mr. MEEKS of New York, Mr. REYES, Mr. PHELPS, Mr. CAPUANO, and Mr. LANTOS.

H.R. 661: Mr. MCINNIS and Mr. BRADY of Texas.

H.R. 664: Mr. FERGUSON, Ms. ROYBAL-ALLARD, Mr. LIPINSKI, Mr. KLECZKA, Mr. HALL of Ohio, and Mr. TRAFICANT.

H.R. 665: Ms. CARSON of Indiana, Mr. CONYERS, Mr. SCOTT, Mr. ROSS, and Mr. WATT of North Carolina.

H.R. 673: Mr. EHLERS and Mr. HILLEARY.

H.R. 680: Mr. CLAY.

H.R. 681: Mr. CLAY.

H.R. 690: Ms. DELAURO, Mr. EVANS, Mr. TIERNEY, Ms. VALÁZQUEZ, Mr. MATSUI, Mr. GEORGE MILLER of California, Mr. HONDA, Ms. ESHOO, and Ms. LOFGREN.

H.R. 692: Mr. LATHAM and Mr. BEREUTER.

H.R. 693: Mr. KENNEDY of Rhode Island, Ms. CARSON of Indiana, Mr. LANTOS, and Mr. GUTIERREZ.

H.R. 694: Mr. TANCREDO.

H.R. 721: Mr. CLYBURN, Ms. DELAURO, Mr. MASCARA, Mr. GEPHARDT, Mr. JEFFERSON, Mr. ANDREWS, Mr. LEWIS of Kentucky, Mr. BORSKI, Mr. LUTHER, Mr. REYES, Mr. PETERSON of Minnesota, Ms. ROYBAL-ALLARD, Mr. RANGEL, and Mr. BAIRD.

H.R. 747: Mr. KUCINICH.

H.R. 755: Mr. PASTOR and Mr. ENGEL.

H.R. 760: Mr. BACA, Mr. THOMPSON of California, Mr. SCHIFF, Ms. KAPTUR, Mr. HERGER, and Mr. BARTLETT of Maryland.

H.R. 761: Mr. SABO.

H.R. 786: Ms. CARSON of Indiana and Mr. WATT of North Carolina.

H.R. 790: Ms. CARSON of Indiana.

H.R. 801: Mr. STUMP, Mr. BILIRAKIS, Mr. BUYER, Mr. SIMPSON, Mr. SIMMONS, Mr. BROWN of South Carolina, Mr. HANSEN, and Mr. SPENCE.

H.R. 811: Mr. SPENCE.

H.R. 822: Mr. LANTOS.

H.R. 827: Mr. MCNULTY, Ms. MCKINNEY, Mr. WYNN, and Mr. MCHUGH.

H.R. 830: Ms. HART, Mr. GUTKNECHT, Mr. STEARNS, Mr. DOOLITTLE, Mr. ARMEY, and Mrs. JO ANN DAVIS of Virginia.

H.R. 835: Mr. CLEMENT, Mr. BLAGOJEVICH, Mr. PALLONE, and Mr. BOUCHER.

H.R. 839: Mr. TURNER, Mr. MCINTYRE, Mr. GORDON, and Ms. BROWN of Florida.

H.R. 844: Mr. WALSH and Mr. NADLER.

H.R. 853: Mr. MASCARA, Mr. BONIOR, Mr. TURNER, and Mrs. JONES of Ohio.

H.R. 876: Mr. WALDEN of Oregon and Mr. LEWIS of Georgia.

H.R. 877: Mr. CALVERT.

H.R. 899: Mr. TOWNS and Mr. SCHROCK.

H.R. 908: Mr. GALLEGLY.

H.R. 911: Mr. SMITH of New Jersey.

H.R. 918: Mr. NEAL of Massachusetts, Mr. BARRETT, Mr. LIPINSKI, Mr. GUTIERREZ, Mr. BERMAN, Ms. SLAUGHTER, Mr. WALSH, and Mr. HOEFFEL.

H.R. 919: Mr. DAVIS of Florida.

H.R. 923: Mr. BOEHLERT and Mr. CUNNINGHAM.

H.R. 930: Mr. HERGER and Mr. HILLEARY.

H.J. Res. 22: Mr. OSE.

H. Con. Res. 3: Ms. WOOLSEY.

H. Con. Res. 4: Mr. PICKERING, Mr. NEAL of Massachusetts, Mr. SMITH of New Jersey, Mr. FROST, and Mr. WEXLER.

H. Con. Res. 23: Mr. RYUN of Kansas.

H. Con. Res. 29: Mr. WEINER, Mr. LEVIN, and Ms. ROYBAL-ALLARD.

H. Con. Res. 34: Mr. KIND, Mr. WATT of North Carolina, and Mr. LAMPSON.

H. Con. Res. 41: Mrs. JO ANN DAVIS of Virginia.

H. Con. Res. 42: Mr. BORSKI and Ms. ROYBAL-ALLARD.

H. Con. Res. 45: Mr. DREIER, Mr. FROST, Mr. RUSH, Mr. BEREUTER, Mr. BRADY of Texas, Mr. SKEEN, Mr. WHITFIELD, Mr. SHIMKUS, Mr. JOHNSON of Illinois, Mr. BOSWELL, and Mr. HOUGHTON.

H. Con. Res. 52: Mr. OXLEY, Ms. HART, Mr. RANGEL, and Mr. NADLER.

H. Res. 72: Ms. SLAUGHTER and Mr. PRICE of North Carolina.

EXTENSIONS OF REMARKS

HONORING DR. MICHAEL DEBAKEY

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. BENTSEN. Mr. Speaker, I rise to honor Dr. Michael DeBakey on the occasion of the dedication of the Methodist DeBakey Heart Center. For 50 years, Methodist has been the home of internationally acclaimed heart surgeon Dr. Michael DeBakey, thereby attaining worldwide recognition for its state-of-the-art cardiovascular care. Dr. DeBakey has been a pioneer of modern medicine, and has helped raise the standard of health care for all mankind. His list of accomplishments, from his innovations in open-heart surgery to his recent pioneering work in the field of telemedicine, is a catalog of many of the greatest accomplishments in the history of medicine.

Dr. DeBakey serves as Chancellor Emeritus of Baylor College of Medicine, and is internationally recognized as the most famous heart surgeon in the world and a living legend. He is a senior attending surgeon at the Methodist Hospital, the largest hospital in the Texas Medical Center in my District. This prolific surgeon and humanitarian has performed more than 60,000 cardiovascular procedures and has trained thousands of surgeons who practice around the world. Dr. DeBakey's name is affixed to a number of organizations, centers for learning, and projects devoted to medical education and health education for the general public. It is an honor to the Heart Center that the institution being dedicated on this occasion bears his name.

The Methodist DeBakey Heart Center is a leader in the prevention, diagnosis, treatment, and research of heart disease. The Center has attracted world-renowned physicians who are continuing the ground-breaking work of Dr. DeBakey and his associates, who developed many of the life-saving techniques at the Methodist Hospital. Annually, the Center performs more than 6,000 cardiac catheterizations, 2,500 angioplasties, 1,300 open heart surgeries, and has performed more than 425 heart transplants in the last 10 years. The Center is a joint effort between the Methodist Hospital and Baylor College of Medicine, which share the common goal of improving quality of life and satisfaction among heart patients.

While Dr. DeBakey's life-saving inventions and trailblazing techniques have awed the medical community over the years, his most treasured accomplishments are the family bonds he and his wife Katrin have managed to maintain despite a rigorous schedule. He is close to his four grown sons and daughter, as well as to his own siblings.

Mr. Speaker, throughout his career, Dr. DeBakey has distinguished himself as a spectacular surgeon and a caring humanitarian to his patients. I commend him on his inspiring five decades of service to the Houston Medical community, and I look forward to the medical advances that will continue to emanate from the Methodist DeBakey Heart Center.

PERSONAL EXPLANATION

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. OXLEY. Mr. Speaker, I returned to Ohio yesterday afternoon for the funeral of former Ohio Governor James A. Rhodes, under whom I served as a member of the Ohio House of Representatives. Consequently, I was absent from the House floor during yesterday's rollcall votes on H. Con. Res. 31, H.R. 624, and H. Con. Res. 47. Had I been present, I would have voted "yea" on each of those bills.

TRIBUTE TO ROGER FONTES

HON. DOUG OSE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. OSE. Mr. Speaker, today, all eyes are turned to California and the current electricity crisis. While there are many problems and many causes, it is important that we also take a moment to give credit to the individuals and entities that have helped meet our State's energy needs and helped chart a path out of this current crisis. Roger Fontes is one of those individuals.

For the past 13 years, Mr. Fontes has served as the Assistant General Manager of the Northern California Power Agency (NCPA), a joint action agency that serves the wholesale power needs of 15 public power systems, including the City of Gridley in my District. NCPA has been a shinning star within the State, and Roger Fontes has played a critical role in that success. Under Roger's supervision, NCPA constructed geothermal, hydroelectric and gas-fired power plants to meet their communities' needs in a reliable and cost-effective fashion. In the midst of the current crisis, it is worth nothing that these municipal utilities are islands of stability. Roger also over saw NCPA's legislative and regulatory programs, advancing sound energy policies for the consumers and businesses they serve.

Prior to joining NCPA, Mr. Fontes was responsible for state-wide generation and transmission planning at the California Energy Commission. He also worked at the Los Angeles Department of Environmental Quality and the Los Angeles Department of Water and Power.

While Roger is retiring from NCPA, he is not leaving the field. Roger and his family are moving to Orlando, where he will be the general manager of the Florida Municipal Power Agency. We will miss him in California, but are heartened by the knowledge that his sound public policy counsel will continue to be available. I ask my colleagues to join me in thanking Roger Fontes for his service to California electricity consumers and to with him and his family the best in his future endeavors.

LOS ANGELES SCHOOL OF MAKE-UP

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. GARY MILLER of California. Mr. Speaker, it is with great pleasure that I rise to celebrate the Los Angeles School of Make-Up and their contributions to our community. The Los Angeles School of Make-Up, also known as the Make-Up Designory or MUD, has a strong reputation of supporting education and human rights throughout Southern California.

The founders of the Make-Up Designory Tate P. Holland, John R. Bailey, and Karl E. Zundel, believe that in order to improve their community, one must be an active participant in it. This believe is realized through their involvement in numerous philanthropic activities and educational partnerships.

In addition to serving as educational partners with the Hollywood Entertainment Museum and the Los Angeles County Sheriffs' Juvenile Honors Program, the Make-Up Designory also participates in many local events. Annually, the Make-Up Designory commits to supporting the Kid's Day L.A., KIEV's Special Children's Christmas Program & Party, the Santa Clarita Youth Organization, the Burbank International Children's Film Festival, the Deidre Hall Mother's Day Festival, and the Juvenile Diabetes Foundation Walks. In addition, the Make-Up Designory has actively participated in and donated to many other events, including the CBS "Running Scared" Educational Programs, the March of Dimes, the Revlon Run/Walk, the American Cancer Society Walk, the Mesothelioma Applied Research Fund, the Toluca Lake Lion's Charity, the Toluca Lake Garden Club, and the Charter Oak Elementary School Benefit Silent Auction.

Despite their many commitments, the Make-Up Designory has also found time to work with the Diamond Bar Sister City Program. Their generosity has permitted an orphaned, indigent high school honors student to continue his education, thus gaining the ability to continue the circle of community service. Moreover, the Make-Up Designory has joined the Diamond Bar Sister City Program in sponsoring a foreign exchange student by granting

him a full scholarship. As a result of this scholarship, a gifted student will be able to realize his life-long dream of becoming a professional Make-Up Artist, a highly valuable skill-set in Southern California.

Tate P. Holland, John R. Bailey, and Karl E. Zundel continue to demonstrate that when individuals take the time to help others, they better not only individual lives, but our community as a whole. Mr. Speaker, I ask this 107th Congress to join me in offering our praise and accolades to the Make-Up Designory and its founders.

INTRODUCTION OF ''HEATHER FRENCH HENRY HOMELESS VETERANS ASSISTANCE ACT'', H.R. 936

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. EVANS. Mr. Speaker, I rise today to introduce the Heather French Henry Homeless Veterans Assistance Act. This important legislation establishes a national goal of ending homelessness among our nation's veterans within a decade. Mr. Speaker, I firmly believe if 40 years ago we as a nation had the resolve and resources to send men to the moon and return them safely to Earth within a decade, today our great nation can end homelessness among veterans with adequate resolve and resources within ten years.

The measure I introduced today for myself, and almost 100 of my colleagues, is named to recognize and honor Heather French Henry, Miss America 2000. During her year of service to America, Heather French Henry committed the full measure of her time, talents and energy to addressing the needs of homeless veterans. She was our national conscience, calling on us to do more, to do enough to help veterans escape the prison of homelessness. She encouraged homeless veterans to break free from their chains of homelessness. She seems to be everywhere at once advocating for our homeless veterans. Homeless veterans have no better friend and voice.

If we consider how much one young woman accomplished during her year of service as Miss America on behalf of our nation's homeless veterans, there can be no doubt this nation can end homelessness among veterans within a decade. If our nation demonstrates the care, compassion, and fidelity to ending homelessness among veterans as Heather French Henry did during her year of service as Miss America, a decade from now there will be no homelessness among veterans.

The end of veteran homelessness and prompt action on the Heather French Henry Homeless Veterans Assistance Act are a high priority for many. These goals are strongly supported, for example, by the National Coalition of Homeless Veterans and its hundreds of member organizations throughout the nation who daily provide essential services to homeless veterans. I am also pleased the Veterans Organizations Homeless Council which represents many major military and veterans service organizations strongly supports the legislation I am introducing today.

Homelessness is a complex problem for which there is no ''quick fix.'' Homeless veterans are likely to face more than one serious challenge. They are more likely to have serious chronic mental illness, substance use disorders, significant chronic illnesses or disease, to lack the social networks that help most of us through our difficulties and to lack job and even basic living skills. The programs provided by the Heather French Henry Homeless Veterans Assistance Act addresses these problems with comprehensive solutions.

Programs that have demonstrated effectiveness in assisting homeless veterans should be expanded. Better coordination among the services offered by the Department of Veterans Affairs and those offered by other federal, state and local agencies is also needed. Support for private-sector programs serving homeless veterans must be affirmed. We must also make full use of leading experts to enrich current services to homeless veterans and assess program effectiveness and develop needed innovations. A new VA Advisory Committee on Homeless Veterans and an effective federal interagency taskforce on homeless are important parts of the solution.

Many programs provided or funded by VA have demonstrated their effectiveness. Mental health professionals agree, for example, that placement in the community can work, but only with careful monitoring and support of vulnerable populations. This legislation creates incentives for VA to make these services—called Mental Health Intensive Community Management programs—more widely available to veterans with serious mental illness.

Supportive, therapeutic housing is necessary for a veteran's recovery from substance abuse. These ''safe havens'' must be provided and available to help a veteran in transition from homelessness to a more rewarding life. Community-based providers and more VA domiciliaries are needed to help meet the needs for transitional housing. Comprehensive services for homeless veterans must be more available in our major metropolitan areas to assure that veterans receive services in addition to full information about resources available to them. In our nation's Capital veterans have neither a VA domiciliary nor a comprehensive homeless veterans service program. Both are clearly needed now.

Community-based organizations must receive more assistance to achieve the goal of ending homelessness among veterans. VA's Homeless Grant and Per Diem Providers are a critical source of support to the mission of caring for our nation's homeless veterans. Community-based providers use a collaborative approach to funding and caring for homeless veterans—many of the programs draw from a complex array of funding streams. The cost of caring for veterans is often subsidized by the other funding sources from local, state, and private entities these

VA can and must do more to establish formal agreements with other agencies in and outside of the government in order to ensure that various agencies carefully coordinate services to ensure that veterans at risk of homelessness do not become homeless. The Departments of Defense, Labor and VA cooperatively provide a Transitional Assistance Program (TAP) for servicemembers who are about to be discharged from the military. This cooperative program could be a model for veterans who are leaving penal institutions or hospital settings. VA should work with a variety of community and other government programs to ensure a safety net is in place.

Finally, my bill advocates a small demonstration program to offer transitional assistance to veterans making the very difficult transition from institutionalization to independent living. These veterans must be provided every chance possible to make it on their own. A one-time, limited grant will provide our veterans a better opportunity to obtain work and housing and avoid becoming homeless and living on the nation's streets.

Mr. Speaker, a member of my staff recently visited a program in Las Vegas, Nevada, where she was told that VA staff can ''usually'' find a bed for a dying homeless veteran within his or her last week of life. As a nation, we should be outraged and shamed by this treatment of men and women who have served our nation in uniform. Surely we owe our veterans more. I strongly urge my colleagues to join me in supporting homeless veterans on their path to recovery and their full integration into mainstream society to the extent possible. Join me by supporting the Heather French Henry Homeless Veterans Assistance Act.

TAX CREDIT FOR WIND ENERGY PRODUCTION

HON. MARK FOLEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. FOLEY. Mr. Speaker, I wanted to bring to the attention of the House a measure that has been introduced to extend the current, and very important, tax credit for wind energy production (the PTC) until the year 2007.

I introduced this legislation with my Ways and Means colleagues JERRY WELLER, BOB MATSUI and KAREN THURMAN—as well as JIM MCCRERY, ROB PORTMAN, WES WATKINS, and JIM RAMSTAD—because of the pressing need to get this issue addressed. If we do not extend the credit, the current PTC will expire at the end of the year—a situation that would deliver a stunning setback to a form of alternative energy development that is needed more now than ever, given our growing energy difficulties.

Mr. Speaker, wind energy production credit was originally enacted under the bipartisan Energy Policy Act of 1992 and has enjoyed strong, bipartisan support every since. In fact, during the 106th Congress, 197 House members cosponsored H.R. 750 to extend the credit.

What the credit itself does is to provide an inflation-adjusted 1.5 cents per kilowatt-hour credit for electricity produced with wind power equipment. The credit is only available if the wind energy equipment is located in the United States and electricity is generated and sold by a U.S. taxpayer.

There should be no question, given the current domestic energy crisis, that the need for fostering alternative energy sources in the United States is critical—and wind energy has

phenomenal potential. As of now, the majority of domestic wind development has been located in California, but there are numerous other states that have great natural potential, including North Dakota, Texas, Kansas, South Dakota, Montana, Nebraska, Wyoming, Oklahoma, Minnesota, Iowa and

Wind energy projects also offer a boon to farmers, particularly those in the Farm Belt—one of the most promising areas for the development of domestic wind resources. Wind power projects and ranching and farming are fully compatible; wind plants can be located and operated with little or no displacement or interference with crops or livestock. And for farmers and ranchers, the lease payments paid to them by wind operators serve as a stable source of extra income.

Wind projects also create important new economic opportunities in the communities in which they are located. New wind facilities lead to increased local tax bases, new manufacturing opportunities, rental income for farmers and ranchers and new construction, and ongoing operational and maintenance jobs. This leads to more jobs and other economic opportunities in rural areas where those things can be scarce.

Equally important, wind energy is an environmentally friendly form of energy that produces no air or groundwater pollution.

Unfortunately, none of these benefits are possible without the production tax credit.

Wind energy is viable and working, but without the credit, development would be hindered dramatically. As we know all too well, energy prices are in a terrible state of flux now. This sort of fluctuation makes the financing and development of wind projects terrifically difficult. Put simply, the production tax credit abrogates this problem by leveling the costs of production through a guaranteed revenue stream. In the end, such a guarantee—which must be at least five years to ensure viability—will foster a cost-effective and environmentally sensitive energy sector. And that is exactly what we need.

For all these reasons, we owe it to ourselves to pass a five-year extension of the wind energy production tax credit. And I urge my colleagues in both the House and Senate to continue to support this important fledgling industry.

HONORING ROHM AND HAAS TEXAS, INCORPORATED

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. BENTSEN. Mr. Speaker, I rise to congratulate Rohm and Haas Texas, Incorporated for its participation in the Occupational Safety and Health Act (OSHA) Star Voluntary Protection Program (VPP). Rohm and Haas employees and management should be commended for maintaining excellent safety and health programs in their workplace that is recognized by OSHA as a model for the industry. The fact that Rohm and Haas has achieved Star Program status demonstrates that the company is capable and willing to meet all VPP requirements of excellence in safety.

Rohm and Haas Texas Incorporated has been a responsible member of the Deer Park community for 50 years, safely manufacturing chemicals for use in the disposable diaper, automobile, paint, coatings and communication industries. Construction on the Deer Park Plant began in 1947 and in July of the following year, the first shipment of acetone cyanohydrin was made to another Rohm and Haas plant in Pennsylvania to produce acrylic sheet.

The Deer Park Plant would become the company's largest and most productive with five major expansions in the fifties, followed by four in the sixties, two in the seventies, two in the eighties and six in the nineties. Employment has climbed from 132 in 1948 to more than 850 today, making the plant one of the largest industrial employers in the area. When wages, purchases and taxes are considered, the plant and employees are responsible for adding more than $85 million each year to the local economy which, in turn, creates an estimated 4,500 jobs for others in the community.

Rohm and Haas' Deer Park plant has demonstrated a proven commitment to improving worker safety and health. By joining the VPP Association, Rohm and Haas' Deer Park plant has taken a leadership role in achieving safety, health, and environmental excellence through cooperation among communities, workers, industries, and governments in the United States.

Employees at Rohm and Haas are enjoying the benefits of a safer worksite through VPP. Since the VPP's inception in 1983, participation in the program has grown from three to more than 500 sites. By participating in this program, Rohm and Haas has chosen to improve safety at its worksite and to reduce injury and illness rates. Rohm and Haas employees are true partners in these improvement efforts and take on critical roles in helping their workplaces to achieve safety excellence. The total workforce of Rohm and Haas should be proud of the recognition by the industry and community that comes with being an OSHA Star worksite.

Mr. Speaker, I congratulate Rohm and Haas Texas, Incorporated for recognizing that compliance enforcement alone can never fully achieve the objectives of OSHA.

PERSONAL EXPLANATION

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. OXLEY. Mr. Speaker, I was unavoidably detained from the House floor during last night's vote on S.J. Res. 6 (rollcall vote No. 33). Had I been present, I would have voted "aye," as I did on the rule earlier in the day.

OSHA's burdensome and excessively costly ergonomics regulations were not based on sound science, and were not subjected to the requisite legislative consideration. The estimated cost of compliance for their 600-page plan to regulate every nook and cranny of American workplaces ranged into the hundreds of billions of dollars. No one could even guarantee that OSHA's proposal would protect workers from injury—but we do know that businesses would have to terminate employees just to be able to afford to implement the plan.

Mr. Speaker, owners of small and large businesses through the Fourth Ohio District know the vital importance of maintaining a safe and healthy workplace for their employees. Without exception, all of them have voluntarily taken steps to protect their workers—without the heavy hand of government forcing them to do so. Employers know that their productivity will suffer otherwise, as will their workers' paychecks.

I am gratified that our first use of the Congressional Review Act will stop these new rules from going into effect, and look forward to President Bush's signature on this joint resolution of disapproval.

OTPOR

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. SMITH of New Jersey. Mr. Speaker, a few weeks ago I had the opportunity to meet five representatives from the independent, non-governmental organization Otpor. "Otpor," in Serbian, means "resistance," and the organization was founded in the mid-1990s by students from Belgrade University and elsewhere in Serbia, who had enough of Slobodan Milosevic's choke-hold on the neck of Serbian society.

Their efforts have forged a strong bond between idealism and realism. Otpor members engaged in passive resistance, never advocating violence nor returning the blows they received from the police and other thugs under Milosevic's control. Instead, they had a stronger weapon—determination and persistence. Fear would not keep them from putting up their posters, from wearing their black-and-white emblem of a clenched fist. Moreover, they kept their eye on the goal of a democratic and tolerant Serbia at peace with its neighbors and with itself. The organization appointed no specific leader, in a strategy to thwart any attempt to compromise the individual—they had learned the lesson from observing the many opposition politicians in Serbia who had been compromised.

During the past two years, more than 1,500 Otpor activists, of about 50,000 based in over 10 Serbian cities, were arrested and interrogated by security forces under Milosevic's control. One of the five who visited my office had himself been arrested on 17 occasions. Prior to the September 2000 elections, Otpor worked closely with the democratic political opposition, independent trade unions, NGOs and other youth groups to mobilize voters. Otpor's activists played a crucial role in the street demonstrations that began immediately following the elections and led to Milosevic's downfall.

The impressive delegation of five Otpor activists visiting Washington included Slobodan Homen, Nenad Konstantinovic, Jovan Ratkovic, Jelena Urosevic and Robertino Knjur, all in their mid- to late-20s and very

good English speakers. It is amazing to realize that they all grew up in the cruel, hateful and impoverished world Slobodan Milosevic had created for them in the 1990s. In the meeting, they provided one piece of very good news. One Otpor activist, Boris Karajcic, had testified in 1998 before the Helsinki Commission which I co-chair and was beaten up on the streets of Belgrade a few weeks later. Today, Boris is a member of the Serbian parliament. He is an active part of Serbia's future.

Otpor itself will also be part of Serbia's future. While Milosevic is out of power, there is much to be done to recover from the nightmare he created. First, they are investigating and compiling complaints about the police officers who brutalized them and other citizens of Serbia who opposed the regime, and they will seek to ensure that officers who seemed to take a particular delight in beating people for exercising their rights are held accountable. They want to see Milosevic himself arrested, both for his crimes in Serbia and the war crimes for which he faces an international indictment. The Otpor group also advocates the founding of a school of public administration, which does not exist in Serbia and is desperately needed as the government bureaucracies are swollen with Milosevic cronies who have no idea how to implement public policy. Along similar lines, they hope to begin an anti-corruption campaign. Finally, they pointed out that, with the fall of Milosevic, the united opposition now in power has no credible, democratic political opposition to it. Until Serbian politics develop further, they intend to serve some of that role, being a watchdog of the new leaders.

In conclusion, Mr. Speaker, the Otpor group with which I met has a track record of accomplishment, ideas for the future, and a good sense of how to bring those ideas into reality. While they have had the heart and the courage, they also have had the assistance of the United States through the National Endowment of Democracy and other organizations which promote democratic development abroad. I hope my colleagues will continue to support this kind of assistance, for Serbia and other countries where it is needed, which serves not only the interests of the United States but the cause of humanity.

COLEMAN INDUSTRIAL CONSTRUCTION OF KANSAS CITY, MISSOURI

HON. SAM GRAVES

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. GRAVES. Mr. Speaker, I rise today to congratulate the owners, Don and Diane Coleman, and the employees of Coleman Industrial Construction of Kansas City, Missouri, for their recognition by the National Railroad Construction Maintenance Association (NRC). Coleman Industrial Construction has been presented with the NRC's Contractor Safety Award. The NRC annually recognizes one firm with less than 25 employees from among more than 200 firms nationwide for their outstanding, accident-free record among small railroad contractors.

This distinction does not come about easily. It is the result of many hours of work, seminars, and training provided by Coleman Industrial Construction coupled with the tireless efforts of all its employees to focus on reducing the risks of accidents and injury. Due to the work of the experienced and professional employees and their "safety-first" attitude, Coleman Industrial Construction has been able to go 14 years without a "lost time" accident.

While Coleman Industrial Construction is being recognized among other small railroad contractors, their performance is a standard for all industries. Their continued emphasis on job safety serves as a worthy model nationwide.

Again, I congratulate and commend the owners and employees of Coleman Industrial Construction on their outstanding performance in reducing injuries at the workplace.

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO REPEAL THE REQUIRED USE OF CERTAIN PRINCIPAL REPAYMENTS ON MORTGAGE SUBSIDY BOND FINANCINGS TO REDEEM BONDS, TO MODIFY THE PURCHASE PRICE LIMITATION UNDER MORTGAGE SUBSIDY BOND RULES BASED ON MEDIAN FAMILY INCOME, AND FOR OTHER PURPOSES

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague from Massachusetts, Mr. NEAL, in introducing our bill, "The Housing Bond and Credit Modernization and Fairness Act." Our joining together in introducing this bill today is indicative of the broad bipartisan support Housing Bonds and the Low Income Housing Tax Credit (Housing Credit) programs enjoy.

The Congress has an unusual opportunity, without creating any new program, to create new housing opportunity for tens of thousands of low- and moderate-income families every year. All it will take is enactment of minor legislative changes to eliminate obsolete provisions in the two principal Federal programs that finance the production of affordable housing: Housing Bonds, or single family Mortgage Revenue Bonds (MRBs), as they are commonly known, and the Housing Credit.

This bill builds on important legislation Representative NEAL and I introduced and supported in the last two Congresses to increase the Housing Bond authority by nearly 50 percent to make up for the effects of inflation. In the 106th Congress this piece of legislation, as well as the Housing Credit legislation, had the phenomenal support of 375-plus House cosponsors from both parties, from all regions of the country, and from rural and urban districts. Finally, in late 2000, legislation applicable to both the Housing Bonds and Housing Credit was enacted into law.

The Housing Bond and Credit Modernization and Fairness Act does three things. First, the bill would repeal the Ten-Year Rule, a provision added to the MRB program in 1988 that prevents States from using homeowner payments on such mortgages to make new mortgages to additional qualified purchasers. States estimate that, between 1998 and 2002, the Rule will mean the loss of over $8.5 billion in mortgage authority, denying tens of thousands of qualified lower income homebuyers each year the ability to obtain affordable MRB-financed mortgages. Second, the bill would replace the present unworkable limit on the price of the homes these mortgages can finance with a simple limit that works. No reliable comprehensive data exists in all areas of the country to determine average area home prices. The current price limits were issued in 1994 based on 1993 data. They are obsolete and well below current home price levels in most parts of the country. Many qualified buyers simply cannot find homes that are priced below the outdated limits.

The answer is to modify the present limit, set in Washington, with a simple formula limiting the purchase price to three and a half times the qualifying income under the program.

We would like to acknowledge the leadership and support of our colleague Representative BEREUTER, who introduced last year and reintroduced in this Congress this element of our legislation as a freestanding bill.

Finally, the bill makes Housing Credit apartment production viable in rural areas by allowing statewide median incomes as the basis for the income limits in that program. This change would apply the same methodology in determining qualifying income levels that is used in the MRB Program. HUD data shows that current income limits inhibit Housing Credit development in at least 1,700 of the 2,364 non-metropolitan counties across the country.

It is noteworthy that the changes proposed by The Housing Bond and Credit Modernization and Fairness Act were endorsed by the bipartisan National Governors Association at its recently concluded meeting. The governors know how important the Housing Bond and Housing Credit programs are in giving states the ability to meet the housing needs of low- and moderate-income families. The governors know that we need to do more to ensure that the important increase in authority that over 375 House Members cosponsored last year really can reach as many qualified people as possible.

Even after the passage of last year's legislation, over 100,000 qualified lower income homebuyers are not able to get an affordable MRB funded mortgage and over 70 percent of non-metropolitan counties across the country will be inhibited in full use of the Housing Credit program.

For those of you that cosponsored those bills last year, and those of my colleagues who are new to the Congress, we hope you will join our bipartisan effort to see that these important provisions are enacted as part of tax legislation this year.

HOUSING BONDS AND CREDITS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. NEAL of Massachusetts. Mr. Speaker, Representative AMO HOUGHTON and I are today introducing legislation to make three important changes to two of the most popular and efficient housing programs before Congress, the single family Mortgage Revenue Bond (MRB) program and the Low Income Housing Tax Credit program.

First, this bill repeals the ten-year rule, a provision added to the MRB program in 1988 that prevents the states from fully using mortgage bonds by limiting the extent to which new mortgages can be made on outstanding bonds on which prepayments have been made by the original beneficiaries. States estimate that, between 1998 and 2002, the ten-year rule means the loss of over $8.5 billion in mortgage authority, denying over 100,000 qualified lower and moderate income home buyers affordable MRB mortgages.

Second, the bill replaces the present limit on the price of homes these mortgages can finance with one that works better given the fact that there is no reliable comprehensive data that exists to determine average area home prices. The current price limits were issued in 1994 based on 1993 data. They are, obviously, obsolete and well below current home price levels in most parts of the country. We propose a simpler formula limiting the purchase price to three and a half times the qualifying income under the program. This will work to preserve the goals of current law while providing a realistic limit on the program for almost all areas of the nation.

Finally, the bill makes housing credit apartment production more viable in rural areas by allowing statewide medium incomes as the basis for the income limits in that program. While this provision may need some technical adjustment, it is clear that the current rules do not provide sufficient incentives to build apartments in very low income rural areas.

Mr. HOUGHTON and I believe these changes, when combined with the increase in the caps on these programs enacted last year, will ensure a strong, effective housing program that will meet the needs of our constituents now, and well into the future. We hope these changes will be adopted in the near future.

CONGRATULATING THE 2000 PRESIDENTIAL AWARD FOR EXCELLENCE IN MATHEMATICS AND SCIENCE TEACHING WINNER, JOLYNN MELLIS FROM COLLEGE PARK ELEMENTARY SCHOOL IN LADSON, SC

HON. HENRY E. BROWN, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. BROWN of South Carolina. Mr. Speaker, today Mrs. JoLynn Mellis, a teacher from College Park Elementary School in Ladson, South Carolina, was awarded the 2000 Presidential Award for Excellence in Mathematics and Science Teaching Award by the National Science Foundation. I rise today to congratulate Mrs. Mellis on this prestigious award. This award, the nation's highest commendation for K–12 math and science teachers, recognizes sustained and exemplary work, both inside the classroom and out. These outstanding teachers serve as role models for their colleagues.

Mrs. Mellis exemplifies what is great about America's public schools. Mrs. Mellis recognizes that our children are our future; she has taken on the crucial responsibility to ensure her students master the math and science skills they require to make that future a bright one for South Carolina and for the United States of America. She has fulfilled this responsibility in outstanding fashion. I commend Mrs. Mellis for her hard work and dedication. Thank you, Mrs. Mellis.

PRESCRIPTION DRUGS

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. DUNCAN. Mr. Speaker, today I introduced a bill that will create incentives to reduce the price of prescription drugs for American consumers.

As I travel around the Second Congressional District of Tennessee, I speak with many people. One concern I hear over and over again is the high cost of medications. Many seniors, in particular, often face a choice between things like medicine, food and heat.

However, this problem is not isolated only to the elderly. All Americans face these steep prices. For example, single mothers and poor working families also have to buy medications. As a father, I cannot imagine anything worse than not being able to afford medicine for a sick child.

As has been discussed many times, there are a lot of complex reasons that prices are so high, and it goes far beyond greedy manufacturers as some have suggested. I believe the primary culprit is a bloated federal bureaucracy that adds years and literally tens of millions of dollars to the development cost of new drugs.

Some new drugs can cost more than a billion dollars to bring to market. In exchange, these drugs have a profound impact on the health of Americans and hundreds of millions of people worldwide. Fundamentally, we need to find ways to reduce these development costs.

The second great inequity is that many countries have draconian cost controls. While these formularies may be sufficient to pay the price to physically produce a pill or medicine, they rarely take into account the phenomenal expenses that went into the development of the drug. These development costs are then shifted to a much smaller consumer base of consumers who end up paying outrageously high prices. If manufacturers and researchers were ever completely stripped of the ability to recover these costs, the flow of new drugs would slow dramatically, if not end completely.

Nevertheless, it is wrong that Americans are so often asked to pay the price for drugs that benefit all mankind. It is particularly frustrating to consumers when they see our neighbors to the North and South paying much lower prices for exactly the same drug.

I believe that this situation needs to be examined and addressed. In the meantime, my proposal would extend a new tax incentive to domestic manufacturers who could demonstrate that they are offering drugs to American consumers at the same average price the drugs are offered to citizens in Canada and Mexico. Hopefully this tax provision will strongly encourage drug makers to reduce their prices for average American consumers.

American ingenuity is fueling the greatest health revolution in the history of mankind. We need to do everything possible to fulfill the promise of this research and alleviate suffering for everyone. However, American consumers deserve fair access to the products of our Nation's research engine, and I hope my legislation will encourage manufacturers to find innovative ways to reduce domestic prices or more equitably spread development costs among a larger base of consumers abroad.

I urge my colleagues to support this bill and improve healthcare for all American consumers.

INTRODUCTION OF VETERANS AMERICAN DREAM HOMEOWNERSHIP ASSISTANCE ACT OF 2001

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. KLECZKA. Mr. Speaker, thousands of former servicemen and servicewomen in five states are currently prohibited from receiving state-financed home mortgages. That is why Congressman HERGER and I, along with seven of our colleagues, are introducing the Veterans American Dream Homeownership Assistance Act. This legislation is similar to bills we introduced in the 104th, 105th, and 106th Congresses.

In order to help veterans own a home, Congress created a program where states could issue tax-exempt bonds in order to raise funds to finance mortgages for owner-occupied residences. Five states—Wisconsin, Alaska, Oregon, California, and Texas—implemented such a program for their veterans. Under a little-known provision in the 1984 tax bill, Congress limited the veterans eligible for this program to those who began military service before 1977.

As a result of the 1984 tax bill, veterans who entered military service after January 1, 1977 are prohibited from receiving a state-financed veterans mortgage. This means veterans who served honorably in Panama, Grenada, or the Gulf War cannot get veterans home mortgages from their state government. Are those who began serving our country after January 1, 1977 any less deserving than those who served before?

This arbitrary cutoff was created to raise additional revenue in the 1984 tax bill by limiting the issuance of tax-exempt bonds. When this

provision was enacted, post-1976 veterans were a small percentage of all veterans, without much voice to protest this discriminatory change. But, nineteen years later, there are thousands of veterans who have served our nation honorably.

Mr. Speaker, as time goes by, this legislation takes on increasing importance. The State of Wisconsin Department of Veterans Affairs has informed me that if the cap on veterans bonds is not lifted this year, the State will be forced to disband the program because too few veterans are eligible for the program.

This legislation would simply eliminate the cutoff that exists under current law. Under our proposal, former servicemen and servicewomen in the five states who served our country beginning before or after January 1, 1977 will be eligible to qualify for a state-financed home mortgage. This legislation does not increase federal discretionary spending by 1 cent. It simply allows the five states that have a mortgage finance program for their veterans to provide mortgages to all veterans regardless of when they served in the military.

There is no justification to allow some veterans to qualify for a home mortgage while others cannot. Mr. Speaker, I urge the House to help those veterans who have served after January 1, 1977 to own a home and pass this important legislation into law.

CELEBRATING THE CALIFORNIA POLYTECHNIC STATE UNIVERSITY CENTENNIAL

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mrs. CAPPS. Mr. Speaker, it is with great pleasure that I rise today to recognize an educational institution that deserves praise for a century of distinguished teaching, research, and public service to the state of California and the nation. On March 8, 2001, California Polytechnic State University in San Luis Obispo will begin an 18-month celebration of its centennial.

Indeed, Cal Poly, as the university is often called, has a great deal to celebrate. In the 1890's, Myron angel, a San Luis Obispo County chronicler, was dismayed by the practical ineptness he experienced in spite of his college education. He campaigned for a local facility that would "teach the hand as well as the head, so that no young man or young woman would be sent off in the world to earn their living poorly equipped for any task." Angel's prominence reinforced an earlier proposition of the district state senator, Sylvester C. Smith, to build a polytechnic institute in San Luis Obispo. Southern Pacific Railroad had just completed the last link in its coastal route and subsequently backed the proposal as an effort to increase business for the new line. On March 8 in the first year of the 20th century, legislation founding the California Polytechnic School was signed into law after six years of debate.

The law included the practical mandate of its founders, "To furnish the young of both sexes mental and manual training in the arts and sciences, including agriculture, mechanics, engineering, business methods, domestic economics, and others such branches as will fit the students for non-professional walks of life." A great deal changed in the ensuing decades—including the definition of a professional—California Polytechnic School, a vocational high school, grew into California Polytechnic State University, a premier undergraduate institution. The essence of the original charge is still part of the state law, and has remained constant in the university's present philosophy.

A tour of the modern Cal Poly campus traces the progression of ten decades, and confirms the strength of the original "learn by doing" philosophy. Among the facilities spread across the university's 5,051 acres are fourteen research centers and institutes. The founders would be pleased to observe the activity, for example, in the Urban Forest Ecosystems Institute, where students apply their knowledge and research to assist the community's landowners and public agencies in improved urban forest management. They would also marvel at the Dairy Products Technology Center, where hands-on student research provides new and improved safety methods and technologies for the dairy products used by all Americans.

Mr. Speaker, there are a number of relevant facts about Cal Poly that warrant recognition. Its first enrollment of 20 students has grown to 17,000, and the institution has bestowed more than 107,000 bachelor's and master's degrees since 1942. And during World War II, 4,700 cadets were trained at the Navy's pre-flight programs located at Cal Poly. Remarkably, 97 percent of Cal Poly graduates are successfully employed or admitted to graduate school within a year of graduation.

Cal Poly nears the end of its first century still focused on its founding purpose, which is an achievement that has not gone unnoticed. Last year, US News and World Report named California Polytechnic State University the Top Regional Public University in the Western United States for the eighth consecutive year. Cal Poly also received the 2001 designation for Best Undergraduate Computer Engineering Department without a Ph.D. Program awarded by the same publication. The National Science Foundation has recognized Cal Poly's science program as among the most innovative in the nation. And the University Center for Teach Education is the only program in the state selected to join the prestigious National Network for Education renewal.

As California Polytechnic State University rises among the ranks of major American universities, time continues to test and prove the worth of a Cal Poly education. The centennial slogan, "A Century of Achievement, A Tradition for the Future" clearly expresses the school's pride as an evolving institution, while remaining true to the school's original vision. Cal Poly graduates possess the knowledge and skills to step right into professional careers of planning, designing, building, operating and improving whole structures as well as entire communities, of managing farms and businesses, of developing minds and expanding knowledge. In short, Cal Poly and its graduates are making a profound contribution to the quality of life in California, the nation, and the world.

Mr. Speaker I hope my colleagues will join me in congratulating California Polytechnic State University on a century of remarkable achievements.

NATIONAL SHAKEN BABY SYNDROME AWARENESS WEEK

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. McKEON. Mr. Speaker, today I am introducing a bill to establish the last week in April as National Shaken Baby Syndrome Awareness Week.

This cause was presented to me by one of my constituents, Joyce Edson. Joyce's son, James, was shaken by his licensed child care provider between March and April of 1998. As a result, James was sent to the emergency room with a skull fracture, subdural hematoma, bilateral retinal hemorrages and a broken right femur. He was only five months old.

While James survived this tragic period, he unfortunately still experiences periodic seizures, and is under the continual care of a pediatric neurologist and opthamologist.

Mr. Speaker, many other children are not so lucky. Each day, more than three children in the United States die from abuse and neglect. Furthermore, over 3,000 babies under the age of one are diagnosed with Shaken Baby Syndrome annually, while thousands more are misdiagnosed or go completely undetected.

Mr. Speaker, it saddens me that this situation even exists. However, I am hopeful with the designation of National Shaken Baby Syndrome Awareness Week, Congress can increase the knowledge of and ultimately prevent this dreadful occurrence.

TRIBUTE TO THE HONORABLE THOMAS P. EICHLER, FORMER SECRETARY OF THE STATE OF DELAWARE HEALTH AND SOCIAL SERVICES AND SERVICES FOR CHILDREN YOUTH AND THEIR FAMILIES

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. CASTLE. Mr. Speaker, it is with great pleasure that I rise today as Delaware's lone Member of Congress to honor and pay tribute to a leader in the Delaware community, Thomas P. Eichler. Tom Eichler is a dedicated, caring, compassionate, and effective individual who led two state agencies in Delaware during my tenure as Governor and after my departure. I felt fortunate to have him serve with me and I am proud to call him my friend.

As Secretary of Health and Social Services for Delaware, Tom Eichler instituted Welfare Reform before it became popular. Under Tom Eichler's leadership, Delaware's First Step Program was initiated to assist welfare recipients transition from welfare to work. Many of the individuals who participated in this program are now working and providing a brighter

future for their families and our communities. In addition, Tom was a leader in health care reform and helped to pave the way for all children in Delaware to have access to health care.

As the Secretary of the Department of Children, Youth and Their Families, Tom helped guide and develop improvements for the Ferris School and Juvenile Justice programs. His efforts to provide better programming and educational facilities for juvenile delinquents at the Ferris School has been seen as a national model that other communities are attempting to emulate. He also established Child Mental Health programs that assist many young members of our community.

Tom Eichler's impact on the State of Delaware has touched many people, and most importantly in a positive manner. I first came to know Tom when he was attempting to change individuals' views on ocean dumping and he assisted me with testimony before Congress. From there he went to work as Regional Administrator for Region III, EPA. In the mid-1980's I asked him to serve in my cabinet where his assistance was outstanding. After my departure he continued to serve Delaware in the Department of Children, Youth and Their Families. He was called upon to serve several Governor's, to assist in difficult situations, and he served the people of Delaware admirably. His ability to take on the toughest jobs, reach consensus and have positive outcomes for our community were unsurpassed.

As he retires from working for the State of Delaware I want to honor and thank him on behalf of the people of Delaware for his commitment to making our state a better place for all of us to live and work.

PERSONAL EXPLANATION

HON. JAMES H. MALONEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. MALONEY of Connecticut. Mr. Speaker, due to the weather I was unavoidably detained on Tuesday, March 6, 2001, and missed rollcall votes 26 and 27. Had I been present, I would have voted "aye" on rollcall vote 26 and "aye" on rollcall vote 27.

Additionally, I was detained on Wednesday, March 7, 2001, and missed rollcall vote 28. Had I been present, I would have voted "aye" on rollcall vote 28.

ARMY RESERVE OFFICER NOT ALLOWED TO WEAR RELIGIOUS SYMBOL

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. TOWNS. Mr. Speaker, Dr. Trilok Singh Puniani is a member of the Army Reserve who is being denied the right to wear the symbol of his religion. Dr. Puniani is a Sikh and is required by his religion to wear his turban. It is one of the five symbols of Sikhism. Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, has written to the President on Dr. Puniani's behalf.

Dr. Puniani joined the Army reserve in 1999. There had been a exemption granted that permitted the wearing of a turban while in uniform and there are three Sikhs who have achieved the rank of Colonel who wear their turbans. However, new regulations adopted in July 1999, just a month before Dr. Puniani joined the Army Reserve, denied this exemption for those who joined the service after 1984.

Mr. Speaker, the turban is not a hat. It is a religious symbol like the cross or the star of David. It should be afforded the same treatment.

One concern about this regulation is that it might discourage Sikhs and other minorities from joining the military services of the United States. Our armed services need manpower. We should not be discouraging anyone from joining. These minority Americans are important to our country and to the Army.

Canada and Britain have significant numbers of Sikhs in their military. They both allow these Sikhs to wear their turbans. Why can't we?

Whatever your religious beliefs, the military should treat you equally. This is about civil rights and equal treatment. We cannot give a preference to any religion, but we also cannot discriminate against any religion. I strongly urge the Secretary of Defense to restore the exemption so that the religious expression of Dr. Puniani and others will be respected.

I insert Dr. Puniani's complaint and Dr. Aulakh's letter to the President into the RECORD.

COUNCIL OF KHALISTAN,
Washington, DC, February 20, 2001.

Hon. GEORGE W. BUSH,
President of the United States,
The White House, Washington, DC.

DEAR MR. PRESIDENT: Today I received by email a letter from Dr. Trilok Singh Puniani, who is a practicing physician and a member of the Army Reserve. He wrote to me about the regulation of July 1999 denying Sikhs who joined the military after 1984 the ability to wear their turbans.

The turban is a symbol of the Sikh religion. A practicing Sikh is symbolized by five symbols, one of which is uncut hair covered by a turban. In view of this, Dr. Puniani writes that "this new regulation will deprive the opportunity of joining the US Armed Forces of many aspiring Sikhs who have tremendous potential to serve the country." I agree with him. This would be a loss for America and for its armed forces.

Today there are over half a million Sikh citizens in the United States. They would be deprived of the opportunity to serve their country, the United States of America.

Not to allow Sikhs in the military to practice their Sikh religion is discriminatory and bad for morale. Sikhs fought valiantly in World Wars I and II along with the Allied forces in Europe and Africa. They suffered heavy casualties. The Sikh soldiers wore their turbans. Belgium erected a special monument to the Sikh forces in Ypres.

The British and Canadian forces encourage Sikhs to maintain their Sikh appearance. I respectfully urge you to follow their lead and order the armed forces of the United States to allow Sikhs to practice their religion. By so doing, you would raise the morale and effectiveness of the armed forces. America allows freedom of religion and the armed forces would be the best place to put it into practice.

Thank you for your attention to this problem. God bless you and God bless America.

Sincerely,

GURMIT SINGH AULAKH,
President.

Enclosure: Email from Dr. Puniani.

[Received by email, February 20, 2001]

Re Denial of Sikh attire in the U.S. Army.

RESPECTED DR. AULAKH, I would like to bring to your attention that I am in the U.S. Army Reserve since Aug. 1999. According to army regulation there was a provision to an exception for religious accommodation to wear turban while in the uniform. However, with new regulation published in July 1999 retroactive as of 1984, the request for religious accommodation will not be entertained, with exception of Sikhs who joined the U.S. Army prior to 1984.

To my knowledge, there are three other turbaned Sikhs in the US Army in the rank of Colonels. I am not sure about their date of commission. Those of us who joined the army after 1984 may have to separate honorably.

My concern is that this new regulation will deprive the opportunity of joining the US Armed Forces of many aspiring Sikhs who have tremendous potential to serve the country. America is the champion of democracy and we are being discriminated. I believe as physicians and in other fields we are a valuable asset to the US Army.

The Sikh soldiers are well respected in the British and Canadian Royal Armed Forces and encouraged to maintain their Sikh appearance. Why this discrimination in the US?

I think that this matter be brought to the attention of the Senators and the Congress in Washington for us Sikhs to be part and parcel of this nation and allowed to serve the country with pride.

I am also writing to my local congressman and the unit commanders of the US Army Reserve.

I am looking forward to seeing you in person when you visit us in Fresno. I will be happy to provide you with more information if needed.

Wish you all the best and a long life.

TRILOK S. PUNIANI,
Fresno, CA.

PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. BECERRA. Mr. Speaker, on March 6 and 7, I was unable to cast my votes on rollcall votes: No. 26 on motion to suspend the rules and pass H.R. 724; No. 27 on motion to suspend the rules and pass H.R. 727; No. 28 on approving the journal; No. 29 on agreeing to the resolution H. Res. 79; No. 30 on motion to suspend the rules and agree on H. Con. Res. 31; No. 31 on motion to suspend the rules and pass H.R. 624 as amended; No. 32 on motion to suspend the rules and agree on H. Con. Res. 47; and No. 33 on passage of S.J. Res. 6. Had I been present for the votes, I would have voted "aye" on roll call votes 26, 27, 28, 30, 31, and 32; and "nay" on roll call votes 29, and 33.

IN MEMORY OF STEVEN S. CAUDLE

HON. ERIC CANTOR

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. CANTOR. Mr. Speaker, the Henrico County Division of Police has lost one of its best. Steven S. Caudle was suddenly taken from his wife, Susan, and two daughters, Kristen, 19, and Jamie, 15 when the car in which he was riding veered off the road on January 26, 2001.

A Richmond native, Mr. Caudle was a 21-year veteran of the Henrico County Division of Police. Upon graduating from Highland Springs High School, he served four years in the army as a military policeman. He then returned home to Henrico County and began his law enforcement career. He worked for a number of years in the Street Crimes Unit before moving to a job providing technical support on narcotics investigations. Eventually, he returned to his roots and served an additional four years with the Uniform Division.

Described by friends and family as a soft-spoken southern gentleman with a great sense of humor and an incredible laugh, Mr. Caudle was an enthusiastic collector of Civil War artifacts. During his free time he liked to play pool, go fishing for rockfish in the Chesapeake Bay, and spend time with his daughters skiing and tubing on the Pamunkey River.

Those who knew him best lauded his skills as an officer, a person, and most importantly as a father. According to Sgt. J.J. Riani, ''the thing that came most naturally to him was being his daughters' father.'' His wife of nearly 25 years described Mr. Caudle as ''the best detective there ever was. If there was a crime out there, he could solve it. He lived life to its fullest. He didn't waste a moment of living. He was always there for his friends, willing to help anybody at anytime for anything.''

Perhaps Mr. Caudle's legacy can best be described by his children. Daughter Jamie, 15, said, ''I think my dad was like probably the coolest parent ever. I could tell him anything. He was not only my father but my best friend. I loved him and he loved me and I know I made him proud.'' Older daughter Kristen, 19, said, ''Daddies are supposed to be heroes. They're supposed to be strong. They're not supposed to die.''

Today we remember a true hero. Steve Caudle put service before self and family ahead of all others. Steve will be missed not only by the people who knew him, but by those in the community that he served with dignity, respect and true heroism.

TRIBUTE TO THE SOMERVILLE ARTS COUNCIL

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. CAPUANO. Mr. Speaker, I rise to pay tribute to the Somerville (Massachusetts) Arts Council and to Cecily Miller, who served as its director for fifteen years. Ms. Miller transformed a small, under-funded coterie of art lovers into a powerful community force. It is no exaggeration to say that Ms. Miller used art to forge community. Somerville has historically been a city of immigrants and working people. During the decade I served as Mayor, Somerville experienced some gentrification but no loss of neighborliness. Cecily Miller played no small part in-that achievement. To bring people together, she created ART BEAT, an annual celebration of arts, crafts, music, and dance that draws large, orderly, and animated crowds to our public squares.

In addition to the public festivals, I would like to cite three of her most imaginative projects:

(1) The Garden Awards—each year Somerville gardens are displayed in brilliant photographs, and the gardens are as different as our citizens. Some of the backyards are restrained and minimalist, some explode with flowers and vegetables bursting through chain-link fences. The photograph in my Longworth office shows an exuberant man, in ripe middle age, holding aloft dahlias. People have different ideas of the way they want their own yard to look, but no difficulty in recognizing the beauty of their neighbors'.

(2) The Illumination Tour—Somerville householders illuminate their homes and gardens for the winter holidays. Cecily Miller recognized these decorations as a genuine art form, and organized a trolley tour of the most spectacular installations. Again, she helped citizens to share and celebrate their neighbors' observances.

(3) The Mystic River Mural—a public housing projects abuts an inter-state highway that obscures the Mystic River. Cecily Miller raised grant money so that teenagers from the project could work with professional artists on a mural. They covered the barrier with imaginative approaches to the water. Now, instead of graffiti, we see a river and a riverbank: reeds, herons, people fishing, swimming, chatting. Most important, young people learned that they could transform an ugly scene into a thing of beauty.

I regret that Cecily Miller is leaving the Somerville Arts Council. I am deeply grateful for all that she has done for the people of Somerville.

HONORING 21 MEMBERS OF NATIONAL GUARD KILLED IN CRASH ON MARCH 3, 2001

SPEECH OF

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 7, 2001

Ms. BROWN of Florida. Mr. Speaker, our thoughts and prayers are with the families and loved ones of the 21 brave men who died while serving their nation. Serving in the military is a tough and demanding job not only for those who choose to serve, but the families who are forced to live without them, who wave goodbye knowing they may never see them again.

I met recently with General Harrison with the Florida National Guard, and we talked about the great work the Guard was doing, all while being called for more and more missions. We are particularly thankful for the Guard in my home state of Florida because of the great support they offer. Whether it's fighting our wildfires or preparing for our hurricanes, the Guard is always there for us in our time of need.

I speak for my colleagues and all my constituents in thanking every man and woman who puts their life on the line for this country. Not just when tragedy strikes, but for every day that you protect us from harm.

TRIBUTE TO BILL AND CLAUDIA COLEMAN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. McINNIS. Mr. Speaker, I would like to take a moment to recognize Bill and Claudia Coleman for their gracious donation to the University of Colorado. On January 16, 2001, University of Colorado president Elizabeth Hoffman accepted their donation, the single largest gift ever given to an American University. The gift, totaling $250 million, will be used to establish the University of Colorado Coleman Institute for Disabilities. The program will fund advanced research and development of innovative technologies intended to enhance the lives of people with cognitive disabilities.

Cognitive disabilities are associated with a number of conditions, such as mental retardation and developmental retardation. ''This will make CU the international center of excellence in developing adaptive assistance technologies, based on advanced biomedical and computer science research and computer science research, for people with congnitive disabilities,'' Hoffman said.

Bill is the founder and chairman of BEA Systems of San Jose, California, and his wife Claudia, is a former manager with Hewlett Packard. An Air Force Academy graduate and former executive with Sun Microsystems, Bill said the idea for the donation came from a tour of CU's Center for LifeLong Learning and Design. Bill and Claudia are no strangers to cognitive disabilities. They have a niece with the disability, and they understand the benefits and the promise new technologies offer.

The Coleman's plan to play an active role in the institute. They said the ''incredibly strong'' team of researchers at CU played a decisive role in the decision to give the University the endowment. ''We have witnessed the challenges this population faces every day with problem solving, reasoning skills and understanding and using language,'' Bill said. ''I passionately believe that we as a society have the intelligence and the responsibility to develop technologies that will expand the ability of those with congnitive disabilities to learn, to understand and to communicate,'' he added.

Mr. Speaker, this is an unprecedented gift by both Mr. and Mrs. Coleman. Their generosity and vision will help countless Americans now and in the future. For that, they deserve the thanks and praise of this body.

RECOGNIZING THE ENERGY TECHNOLOGY AGREEMENT RECENTLY SIGNED BY THE STATE OF WEST VIRGINIA, TOGETHER WITH PARTNERS IN ACADEMIA AND INDUSTRY

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. MOLLOHAN. Mr. Speaker, over the past several weeks, we have been painfully reminded of how heavily our economy relies on affordable, abundant energy. The events that we've experienced—from massive supply disruptions in the west to sharp price increases in the east—also have opened many eyes to the need to devise a sound national energy policy.

Along with a number of my colleagues in this House, I have long advocated the benefits of more fully incorporating coal into America's energy mix. The abundance and value of our nation's coal reserves are well-documented, and are absolutely key to moving our country toward the desirable goal of greater energy independence.

That is why I am pleased by the memorandum of understanding signed January 30, 2001, in Morgantown, W.Va., between partners in government, industry and academia. They have pledged to team together on coal research, development and commercialization initiatives—initiatives which will enable West Virginia to build on its role as a leader in the search for national and international energy solutions.

I would like to recognize the signatories to this memorandum, beginning with our distinguished former colleague, the Honorable Robert E. Wise Jr., who now serves as governor of the State of West Virginia. Joining Governor Wise in ratifying this landmark agreement were David C. Hardesty Jr., the president of West Virginia University; Patrick R. Esposito Sr., the president of Augusta Systems Inc., on behalf of the tenants of the Collins Ferry Commerce Center; and Ralph A. Carabetta, deputy director of the National Energy Technology Laboratory, or NETL.

These officials, and the organizations they serve, are to be commended on their efforts to more fully integrate NETL-developed technologies into the marketplace. Their memorandum of understanding re-affirms Senator ROBERT C. BYRD's foresight in promoting energy research, and will further capitalize on his success in building a strong fossil-fuel portfolio at NETL.

Mr. Speaker, I am pleased to salute the partners in this agreement, and to wish them much success in their new collaboration.

IN HONOR OF THE SUCCESS OF ST. MICHAEL AND UNIVERSITY HOSPITALS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. KUCINICH. Mr. Speaker, I ask my colleagues to rise in congratulations to the success of St. Michael Hospital in maintaining the tradition of high quality, community health care.

Last year, the life of St. Michael Hospital, a full service community hospital, was threatened by a buyer who sought to close it. Without notice, patients were told to find other physicians, wards were closed, ambulance service was stopped and units were shut down. Once the community learned of the pending closure, they sprang into action to save St. Michael. A massive effort began. Neighborhood residents spoke out, the City Council supported, doctors and nurses worked tirelessly and my office filed an amicus brief to prevent the closure, supported by hundreds of constituents.

Today, St. Michael Hospital is not only in stable condition, but growing its services and expanding its facility. Not even a year after it stood at the brink of closure, it is now in the middle of plans to increase the size of the emergency room by 50 percent. Construction will begin in a few months to allow the hospital to create more treatment areas for trauma patients. Later this month, two renovation projects are slated to begin. A new inpatient gero-psychiatric ward was opened last December after renovation was completed on the fourth floor. St. Michael has even started a shuttle service for patients without transportation.

For 117 years, St. Michael Hospital (formerly St. Alexis) has done a remarkable job of tending to the health of Clevelanders. It has provided high quality health care to hundreds of thousands of patients, no matter their color, country of origin, age or ability to pay. Over 20 percent of its patients are unable to afford health care, but they are treated at St. Michael.

Our community has long known the institution's strength of compassion, and we are now so lucky to witness its strength of determination and resilience. St. Michael has rebounded with new medical care programs, an increase in patient volume and an improved financial situation. I ask my colleagues to join me in honoring the work of St. Michael Hospital and the University Hospital Health Network which came to its rescue. I ask that you join with me in congratulating all who have brought St. Michael Hospital back to life.

CONGRATULATING WORLD BOXING ASSOCIATION HEAVYWEIGHT CHAMPION JOHNNY ''THE QUIET MAN'' RUIZ

HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. CAPUANO. Mr. Speaker, I rise today to congratulate, Johnny ''The Quiet Man'' Ruiz, a young man from my district, for winning the World Boxing Association Heavyweight title this past weekend in Las Vegas. I do not stand here today to boast about the athletic prowess of a world class champion but rather to commend Johnny for the grace and dignity with which he has carried himself throughout his climb to the upper echelons of the boxing world.

As the first Latino heavyweight world champion, Johnny is truly a hometown hero to the people of Chelsea, Massachusetts. Johnny was a hero long before his upset victory over four-time champion Evander Holyfield on Saturday evening. Last August, after losing a very close and controversial decision to Holyfield, Johnny came home from Las Vegas to find hundreds of his supporters waiting on his doorstep to cheer his arrival. They knew they already had a champion among them.

Like many young husbands and fathers throughout the country; Johnny spends his free time coaching Little League baseball, Pop Warner Football and is actively involved in the parent's group at his children's school. That is the man that is the new heavy weight champion. That is Johnny Ruiz. Like many of his neighbors, Johnny Ruiz is a hardworking family man, who proudly represents a city of hard working people. Johnny just happens to go to work at the Somerville Boxing Club under the watchful eye of his trainer Norman Stone.

Years from now we will surely be hearing many stories about the boxing triumphs of this heavyweight champion from Chelsea. People will talk about how they used to watch him run by their house or storefront while he was training. We will hear about rematches and world rankings. However, there is one story that stands out in my mind. On the evening of the first Holyfield-Ruiz fight, the then-WBA champion Holyfield was hosting a postfight victory party at the Paris Hotel. Accompanied by his boyhood friends, Ruiz, an exhausted and defeated challenger walked through the many reporters, cameras and Holyfield fans to extend a congratulatory hand to his most recent opponent. This gesture caught Holyfield by surprise more than Johnny's overhand right last Saturday night. The champion told Johnny ''that was the most class an opponent has ever shown after a fight''. That story truly embodies Johnny Ruiz.

It is reassuring to know that behind all the hype and trash talking in professional sports there are still athletes out there who are true gentlemen. There are still men like Johnny ''The Quiet Man'' Ruiz: a neighborhood kid who had a little bit more talent and worked a little bit harder to get his shot. More importantly, he never forgot his roots—he never forgot the neighborhood and city he was fighting from. Mr. Speaker, I congratulate ''the neeewww WBA heavyweight champ of the worlllld Johnny Ruiz!!!''

40TH ANNIVERSARY OF THE PEACE CORPS

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay special tribute to the Peace Corps as it celebrates its 40th Anniversary.

The Peace Corps is a powerful symbol of America's commitment to encourage progress, create opportunity, and expand development at the grass roots level in the developing world and at home.

Today, its volunteers are working to bring clean water to communities, teach children,

help start new small businesses, and stop the spread of AIDS.

Since its beginning, in 1961, more than 161,000 Americans have served as Peace Corps Volunteers in 134 countries. These are people who are dedicated and committed to making this a better world.

After serving and teaching in other countries, Peace Corps volunteers return to the U.S. with a greater understanding of other cultures and peoples.

It is truly a mutually beneficial cross-cultural exchange.

I ask my colleagues to join me in saluting the thousands of Peace Corps volunteers, past, present, and future, and in commending the Peace Corps for empowering and encouraging progress around the world for the past four decades.

PERSONAL EXPLANATION

HON. JOSEPH M. HOEFFEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. HOEFFEL. Mr. Speaker, on Tuesday March 5, 1 missed two votes numbered 26 and 27. I missed these votes on account of illness. If present, I would have voted ''yea'' on both suspension bills.

OPPOSING NATIONAL TEACHER CERTIFICATION OR NATIONAL TEACHER TESTING

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. PAUL. Mr. Speaker, I rise to introduce legislation to forbid the use of federal funds to develop or implement a national system of teacher certification or a national teacher test. My bill also forbids the Department of Education from denying funds to any state or local education agency because that state or local educational agency has refused to adopt a federally-approved method of teacher certification or testing. This legislation in no way interferes with a state's ability to use federal funds to support their chosen method of teacher certification or testing.

Federal control of teacher certification will inevitably lead to a national curriculum. National teacher certification will allow the federal government to determine what would-be teachers need to know in order to practice their chosen profession. Teacher education will revolve around preparing teachers to pass the national test or to receive a national certificate. New teachers will then base their lesson plans on what they needed to know in order to receive their Education Department-approved teaching ceirtificate. Therefore, I call on those of my colleagues who oppose a national curriculum to join me in opposing national teacher testing and certification.

Many educators are voicing opposition to national teacher certification and testing. The Coalition of Independent Education Associations (CIEA), which represents the majority of the over 300,000 teachers who are members of independent educators associations, has passed a resolution opposing the nationalization of teacher certification and testing. As more and more teachers realize the impact of this proposal, I expect opposition from the education community to grow. Teachers want to be treated as professionals, not as minions of the federal government.

In conclusion, Mr. Speaker, I once again urge my colleagues to join me in opposing national teacher certification or national teacher testing. Training and certification of classroom teachers is the job of state governments, local school districts, educators, and parents; this vital function should not be usurped by federal bureaucrats and/or politicians. Please stand up for America's teachers and students by signing on as a cosponsor of my legislation to ensure taxpayer dollars do not support national teacher certification or national teacher testing.

DON'T FORGET THE MUSTANG FREEDOM FIGHTERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. GILMAN. Mr. Speaker, March 10th is the 42nd anniversary of the Tibetan Uprising Day and the Chinese occupation of Tibet. Every year we appropriately celebrate this solemn day by recognizing and remembering the thousands of Tibetan people who gave their lives on March 10th struggling for their freedom. This past year the brutality of the Chinese occupation government has been exceptionably cruel to Tibetan Buddhist religious practitioners. Many monks and nuns have been executed and tortured to death for their beliefs while the Panchen Lama still remains under detention. Accordingly, it is fitting that this month the Bush administration will introduce a resolution in Geneva at the United Nations Human Rights Commission condemning the Chinese government's contemptible lack of concern for the rights of the Tibetan and Chinese people.

We welcome the Bush administration's open-eyed approach to dealing with the Chinese government on human rights issues and its signals that it is willing to assist our friends on Taiwan. We are therefore hopeful that our government's policy toward Tibet will be brought in line with this refreshing pragmatism. A good start would be by remembering and recognizing the people of Kham who began their resistance against Chinese expansionism almost 51 years ago when the Communists launched their invasion of eastern Tibet in 1950. The brave Khampas and people from Amdo being intensely loyal to His Holiness the Dalai Lama and willing to sacrifice their lives to protect their religious beliefs and institutions, bore the brunt of the PLA's brutal effort to conquer Tibet. Years before Mao's hardened shock troops marched into Lhasa, the people of Kham and Amdo struggled against all odds to turn back the atheist Communist invaders. To this day they still pay dearly for their religious beliefs and struggle for their rights. Their lands and their monasteries have yet to be completely returned to them and the Chinese government has yet to pay reparations.

During the 1950's and up until the early 1970's our government supported the Tibetan cause by training and equipping their fighters and by drawing attention in the international community to the Tibetan plight. When our government ended our assistance to the Tibetan fighters in the early 70's who were then operating out of Mustang, a remote area of northern Nepal, many of them stayed in Nepal. To this day, a number of these men and women still struggle for their survival while some have passed on.

Fourteen years ago, the Congress passed a resolution condemning China's occupation of Tibet. When President Reagan signed it, Lodi Gyaltsen Gyari, a great Khampa, a good friend and His Holiness the Dalai Lama's Special Envoy urged Congressman Charlie Rose and myself to send two of our staff assistants to travel to India and Nepal to learn more about the Tibetan issue. Towards the end of that visit, they met with a number of the Mustang fighters in a small camp in Pokara, Nepal. Our congressional staff reported back to us that these Khampas were still prepared to give their lives for their nation and remained intensely loyal to the United States. They continued to believe that we would never abandon them although it appeared to the outside world that that was exactly what we had done. The camp leader remarked to our staff, ''friends don't abandon friends and America stands up for what is right.''

When the Congress heard about these brave, earnest Khampas, we committed ourselves to renewing our Nation's contact with the Tibetan people. We passed the historic sense of the Congress resolution stating that Tibet is an occupied country and His Holiness the Dalai Lamia and the Tibetan Government-in-Exile are the true representatives of the Tibetan people. In addition, we directed the Voice of America to transmit into Tibet, thus giving the Tibetan people their first clear window to the outside world. Moreover, we ensured that various forms of political and material assistance began to flow to the Tibetan diaspora.

Accordingly, on this March 10th anniversary, may the Khampa fighters and all the elderly men and women of Tibet who continue their struggle inspire us today by their courage and enduring devotion to the cause of Tibetan freedom. As America—who offered them hope and then withdrew its promise—is especially indebted to the freedom fighters, I will look into how we might offer them more than just our sincere thanks. I have learned that many Tibetan elders are living in destitute conditions in Nepal and India. Let us all bear in mind the Mustang freedom fighters on this occasion and begin to consider how we can demonstrate in real terms that their cause remains our own.

DISAPPROVING DEPARTMENT OF LABOR RULE RELATING TO ERGONOMICS

SPEECH OF

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 7, 2001

Mr. ROEMER. Mr. Speaker, the ergonomics issue is not new. It was first proposed by Secretary Elizabeth Dole under the Bush administration and has since been subjected to over a decade of intense scientific analysis. It did not surprise anyone last year, because we have had many hearings on the topic, received hours of testimony, gone through a lengthy public rulemaking process, and debated the matter extensively here on the floor of the House.

This joint resolution, on the other hand, has been launched with no public hearings, no committee markups, no committee reports, no committee study, and almost no debate. Forcing this resolution through is a backdoor attempt to undermine the legitimate public rulemaking process in a way that has never been done before.

Thousands of employers have successfully implemented ergonomics programs resulting in the significant reduction of ergonomic injuries and illnesses and the savings of millions of dollars. Companies as diverse as 3M, Ford Motor Co., Fieldcrest-Cannon, Red Wing Shoes, Perdue Farms, and the Fresno Bee have implemented ergonomics programs that not only substantially reduced injuries and illnesses, but produced significant productivity improvements as well.

The fact is that ergonomics works. The National Academy of Sciences has said so, hundreds of successful businesses have said so, and the American public has said so.

If there are problems with the existing ergonomics standard, then the appropriate way to address them is through rulemaking. Passage of a CRA resolution not only dooms the existing standard, but delays for years and perhaps indefinitely the development of any general ergonomics standard. This is not just bad for workers, it is bad for business, and it is bad government.

I urge my colleagues to vote "no" on this resolution.

REPEAL OF EXECUTIVE ORDER 13166

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. STUMP. Mr. Speaker, on August 11, 2000, former President Clinton signed Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency."

When signing Executive Order 13166, former President Clinton cited concerns that "language barriers are preventing the federal government and recipients of federal financial assistance from effectively serving a large number of people in this country." His main concern was that those who do not speak English are not able to apply for and receive federal assistance.

Mr. Speaker, Executive Order 13166 requires all federal agencies to examine the services they provide, as well as identify any need for services to those with limited English proficiency (LEP). The Executive Order requires federal agencies to develop and implement a system to provide those services in any language that LEP individuals may speak.

Mr. Speaker, we are already beginning to witness the potential costs associated with the implementation of Executive Order 13166. On January 10, 2001, the Department of Justice released a plan to implement Executive Order 13166. This Departmental plan not only creates new services that the federal goverment must provide, but the plan also imposes a remarkable number of new and costly requirements on every federal agency.

In addition, the Department of Justice has announced plans to develop translations of documents into 30 languages. Now, the Department of Transportation believes that traffic signs in English are problematic. Mr. Speaker, we must stop this tremendous cost burden on the United States taxpayer.

Today, I join several colleagues in introducing legislation to rescind Executive Order 13166. Rescinding this burdensome executive order will not only alleviate a costly mandate on federal agencies, but also protect our great nation from further language barriers.

Implementing Executive Order 13166 will only reinforce language barriers in the United States. Rather than discourage people from learning English and enjoying the benefits associated with English proficiency, the United States should encourage all individuals united by one government to join in a single language. Executive Order 13166 does not encourage those seeking benefits from developing English proficiency.

Mr. Speaker, I urge my colleagues to support the repeal of Executive Order 13166.

RECIPIENT OF THE DAILY POINTS OF LIGHT AWARDS, NETTIE REYNOLDS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. McINNIS. Mr. Speaker, I wish to take this moment to recognize Nettie Reynolds of Gypsum, Colorado, The Points of Light Foundation recipient of The Daily Points of Light Award. The Daily Points of Light Award honors an individual or organization that makes a positive and lasting difference in the lives of others. The award is a fitting tribute to a woman who has given of herself immeasurably during the course of her distinguished life.

For more than 30 years, Nettie Reynolds has volunteered to serve her community. She first served her community as a teen member of the Civil Defense League. Then, in 1969, she organized the town of Gypsum's Ladies' Volunteer Fire Department, where she held the position of Fire Chief until she retired in 1997. She also managed and ran emergency medical calls with the Western Eagle County Ambulance District for many years. In addition, Nettie has been active in health care organizations and various other emergency medical service agencies. And in her "spare time" Nettie still finds time to visit with seniors and disabled citizens, giving them affection and making them feel loved.

Mr. Speaker, Nettie Reynolds is a role model that people of all ages can and should look up to. It is obvious why Nettie Reynolds was chosen as The Points of Light Award recipient, I think that we all owe her a debt of gratitude for her service and dedication to the community.

Nettie, your community, state and nation are proud of you and grateful for your service.

RECOGNIZING INTERNATIONAL WOMEN'S DAY

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Ms. SCHAKOWSKY. Mr. Speaker, I am proud today to introduce a resolution recognizing and supporting the goals of International Women's Day. Women in the United States organized the first Women's Day in 1908 and helped inspire the International movement. International Women's Day celebrated on March 8th, began as a movement for voting rights and labor rights. Over the years, it has grown, and today, it is seen as a day for asserting women's political, economic, and social rights, for reviewing the progress that women have made, as a day for celebration, and as a day for demonstration.

In the early 1900's, the solidarity of women working on suffrage and improved labor conditions led to the formation of the first women's labor union, the Women's Trade Union League. Almost a century later, we have much to celebrate, yet we also have much work left to do to advance the status of women worldwide.

Women all over the world are contributing to the growth of economies, participating in the world of diplomacy and politics, and improving the quality of lives of their families, communities, and nations. And we should honor the women who have led us this far. Women like, Jane Addams, Coretta Scott King, Gloria Anzaldua, Maya Lin, Aung San Suu Kyi from Burma (now Mynamar), the Mirabel sisters from the Dominican Republic, Shabana Azml from India, Rigoberta Menchu from Guatemala, Eleanor Roosevelt, Oprah Winfrey, Eve Ensler, Dorothy Cotton, Wangari Maathai from Kenya, and Fatou Sow from Senegal. Women around the globe, from the Americas, Africa, the Middle East, Asia, South Asia, and Europe have all contributed enormously to the struggle for gender equality and the advancement of women.

We must continue the struggle. While the right to vote has been won here in the United States, there still remain women in many countries fighting for their voices to be heard and for representation in their political process. Furthermore, women still earn less, own

less property, and have less access to education, employment, and health care than men.

The statistics of violence against women are appalling. Globally, one out of every three women and girls has been beaten or sexually abused in her lifetime. Each year, there are 1,000,000 to 2,000,000 women and children illegally trafficked across international borders, with 50,000 women and children transported to the United States. It is estimated that 130,000,000 girls and young women have been subjected to female genital mutilation, with at least 10,000 girls at risk of this practice in the United States. These statistics are unacceptable. We are in the midst of a global crisis and we can not afford to continue passing on this crisis of violence to our sons and daughters.

It is promising that for the first time, the international community has declared that sexual crimes against women during times of war will no longer be considered natural occurrences of war but will be punishable as a crime against humanity. Crimes against humanity are less in severity to only those of genocide.

I applaud and honor the work of women all over the world who live and fight the struggle every day. I also urge Congress to pass my resolution which will reaffirm the United States government's commitment to pursue policies to end discrimination and violence against women and pursue policies that guarantee basic rights for women both in the United States and in countries around the world.

INTRODUCTION OF THE LANDMINE ELIMINATION AND VICTIMS ASSISTANCE ACT OF 2001

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. EVANS. Mr. Speaker, today I am introducing the Landmine Elimination and Victims Assistance Act of 2001.

I am proud that I am joined in this effort by Representatives QUINN and MCGOVERN. They have been strong leaders in our fight to eliminate the scourge of landmines around the world and I look forward to continuing our work together. We are also joined by a bipartisan group of nearly 30 other Members of Congress. Our legislation is the companion to Senator LEAHY's bill which he will be introducing shortly as well with a bipartisan cast of sponsors.

The legislation accomplishes four things. It expresses the sense of Congress that the Department of Defense should field currently available weapons, other technologies, tactics and operational concepts which provide suitable alternatives to landmines. I believe that alternatives exist that are more effective and less costly than mixed mine systems and that also match more closely our country's doctrine of mobility warfare. This view is shared by many active and retired military officers.

It also calls on our nation to end its use of mines, and to join the Convention on the Prohibition of Anti-Personnel Mines as soon as possible. In addition, it also codifies the Leahy-Evans U.S. moratorium on mine exports, which has been in effect since 1992 and is official United States policy.

Finally, it establishes an inter-agency working group, involving the Departments of State, Defense, Health and Human Services, Education and the VA, to develop a comprehensive plan for expanded mine action programs, including programs to assist mine victims.

The bill is the latest chapter in the work of many members of Congress to address the tragedy surrounding the proliferation of landmines. The carnage caused by landmines is well-known. Too many poor and developing countries have suffered tens of thousands of civilian casualties. The crisis that has afflicted much of the third world led to an outcry that forced the world to act.

The resulting international treaty, the Convention on the Prohibition of Anti-Personnel Mines has gained international acceptance more quickly than any other arms control treaty in history. The treaty, which came into force in 1998, has been signed by 139 countries and ratified by 110. However, our nation has not signed the treaty. It is a glaring absence considering our role as the world's remaining superpower.

President Bush has not indicated how he wants to proceed on the landmine issue. However, I hope that he sees that he has a tremendous opportunity in front of him. First he has the chance to reclaim US leadership and achieve the distinction of blazing the way to a truly landmine free world. It is a role that could help achieve universalization of the treaty which in turn would not only limit the threat of these weapons to civilians but also to our own soldiers who too often face landmines in peacekeeping duties around the world.

Second, he can eliminate a weapon which actually hinders our forces instead of helps them. Our current military doctrine emphasizes mobility on the battlefield. This will become even more of a focus as we move towards the more mobile forces that the Army has envisioned in its efforts at "Transformation". However, deploying "mixed" mine systems comprised of anti-tank mines deployed with anti-personnel mines actually restricts the movement of US forces on the battlefield. Even with self destructing mines that destroy themselves within hours, our forces may need to move through an area that was just mined minutes before. That is the essence of mobility warfare—being able to move at a moments notice as the battlefield changes. It is why former Marine Corps Commandant Al Gray once stated "What the hell is the use of sowing all this if you're going to move through it . . . We have many examples of our own young warriors trapped by their own minefields . . . We even had examples in Desert Storm."

However, this does not mean we have to give away military capability. We also have "smart" weapons currently in the inventory that can more effectively deal with armored threats and that do not have the "side" effects of landmines on our mobility doctrine and the safety of our fighting men and women. The US has been developing alternatives with the support of myself and Senator LEAHY. While these technologies show great promise, we must remember that we do have the ability today to have a landmine free military that is more capable and effective.

Mr. Speaker, it is clear to me that moving towards a landmine free military is a win-win for our nation and the world. We can help eliminate the scourge that has cost tens of thousands of innocent men, women and children their lives and limbs while better protecting our own military and achieving a more effective fighting force. However, it will take leadership.

We will fight hard to move this legislation. It will help demonstrate the will of Congress to show leadership on this issue, make permanent the export moratorium and establish an interagency working group that will more effectively provide the expertise of our own government in dealing with the staggering human costs that mine have already inflicted and will continue to inflict. Above all, I hope it is seen by the President as an invitation to strengthen US policy so we may see the day of a landmine free world sooner rather than later. I look forward to working with the President and his Administration.

RESOLUTION OF THE CONGRESSIONAL BLACK CAUCUS CONDEMNING RACIAL SLANDER BY SENATOR ROBERT BYRD

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I submit the following on behalf of the Congressional Black Caucus:

RESOLUTION OF THE CONGRESSIONAL BLACK CAUCUS CONDEMNING RACIAL SLANDER BY SENATOR ROBERT BYRD OF WEST VIRGINIA

Whereas, the members of the Congressional Black Caucus regret the many years, in the not so distant past, when certain members of the House and Senate freely used racial slurs on the floor and in other public places; and,

Whereas, our great nation has made great strides in both de jure and de facto race relations and has established a new moral standard in public discourse; and,

Whereas, the administration of William Jefferson Clinton greatly advanced progress in race relations through his policies of inclusion and the President's demonstration of great personal comfort among all racial, religious, and ethnic groups; and,

Whereas, the current political environment is such that negative and derogatory sentiments, attitudes, and practices of the past are being resurrected as new, caring, and compassionate versions of sanctioned segregation; and,

Whereas, the sentiments, attitudes and behaviors of the Ku Klux Klan have long ago been condemned by the majority of Americans and outlawed by the U.S. Constitution; and,

Whereas, United States Senator Robert Byrd of West Virginia recently made a statement using a racial slur regurgitated from the painful past Ku Klux Klan era, that was hurtful, incendiary, and counterproductive; and,

Whereas, the members of the Congressional Black Caucus consider it one of our priority duties to offer moral leadership on behalf of our constituents and to the American people

in general, and to resist any attempt to move our great nation back in time to our ugly legacy of racial injustice, insensitivity and intolerance, now therefor be it

Resolved That the members of the Congressional Black Caucus hereby, without rancor or malice, condemn Senator Byrd's racist statement and the sentiment of lingering intolerance it reflects. We respectfully request all members of the House and Senate to publicly and privately convey a similar condemnation; be it further

Resolved That this proclamation of Condemnation be printed in the CONGRESSIONAL RECORD; and be it further

Resolved, That United States Senator Robert Byrd make his statements of apology from the floor of the U.S. Senate.

THE INDIVIDUAL INCOME TAX RATE REDUCTION ACT OF 2001

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. COLLINS. Mr. Speaker, today I rise to introduce the Individual Income Tax Rate Reduction Act. This legislation will provide immediate, across the board marginal income tax rate reductions for all wage earners in this country, while reducing the marriage tax penalty.

A new day has arrived in Washington. The new President is leading the effort to focus national attention on the issues that Americans support. This week, Congress has taken the first step to implement tax code changes that will benefit all wage earners. The marginal income tax rate reductions proposed by the President, reported by the Committee on Ways and Means, on which I serve, and recently passed by the House of Representatives, will have a tremendous impact on providing individuals and families with greater financial security. At a time when the federal coffers have billions of dollars in excess revenues, coupled with the slowing growth of the economy, is more appropriate than ever to provide a refund to taxpayers who have overpaid the bill.

Mr. Speaker, I fully support the legislation that has been passed by the House of Representatives. But frankly I believe we can do more. Today I introduce legislation that will reduce the marginal income tax rates. However, at the center of this legislation is my belief that we must reduce the amount of taxes taken out of paychecks today. My legislation makes effective immediately a reduction in all of the marginal rates. In addition, over the next few years, the number of rates will be reduced from 5 to 4.

Current law	Collins bill	Effective
15 percent	12 percent	Jan. 1, 2001.
28 percent	25 percent	Jan. 1, 2001.
31 percent	28 percent	Jan. 1, 2001.
36 percent to 39.6 percent	33 percent	Phased down Jan. 1, 2001 to Jan. 1, 2006.

My legislation will also reduce the marriage tax penalty by increasing the standard deduction for all taxpayers, and making the married deduction twice that of the single taxpayer's deduction.

Current law	Collins bill	Effective date
$7,600	$12,000	Jan. 1, 2001.
$4,500	$6,000	Jan. 1, 2001.
$6,650	$8,500	Jan. 1, 2001.

This legislation will provide taxpayers with over $30 billion in tax relief this year alone. Over the next ten years, wage earners will see their income tax bills reduced by over $1.5 trillion. It is anticipated that the Congressional Budget Office will soon update their projected budgetary estimates and report that there will be billions more available in unanticipated non-Social Security excess revenues. That is more reason than ever to provide taxpayers with meaningful tax reductions. Please join me in cosponsoring the Individual Income Tax Rate Reduction Act of 2001, so that we can provide tax relief as soon as possible.

DISAPPROVING DEPARTMENT OF LABOR RULE RELATING TO ERGONOMICS

SPEECH OF

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 7, 2001

Mrs. MALONEY of New York. Mr. Speaker, I rise today in strong opposition to this harmful resolution which will prevent America's workers from safer working conditions.

Over two years ago, Congress mandated that the National Academy of Sciences conduct a study to review the impact of repetitive workplace motions. Now that the results are back, the Republican majority is disappointed. They don't like the results. So, they are trying to kill the rule entirely.

This Disapproval Resolution is simply another attempt to delay and ultimately block implementation of critical ergonomic workplace guidelines. These reasonable standards, already issued by the Department of Labor, will ensure that workplace safety guidelines are in place to prevent increasingly common workplace injuries.

More than 647,000 Americans suffer serious injuries and illness due to musculo-skeletal disorders each year. These injuries are currently costing businesses $15 to $20 billion annually in workers' compensation costs. Yet, it has been estimated that the ergonomics standards will prevent 4.6 million injuries over the next decade, and will actually save employers and workers $9 billion each year.

Tragically, these injuries disproportionately affect women workers. Although women make up 46 percent of the workforce and 33 percent of those injured, 63 percent of repetitive motion injuries happen to women.

Women experience 70 percent of carpal tunnel syndrome injuries that result in lost work time. This is unacceptable and we must act now to prevent these injuries.

Americans who are willing to work hard each day to support themselves and their families deserve reasonable standards to prevent workplace injuries.

Many of the workers who will be covered by these common sense guidelines often work more than one job just to make ends meet. They work long hours loading trucks, moving boxes, and delivering packages. Their jobs aren't easy, but they are willing to show up every day and do their best.

The last thing these hard-working Americans want is to get hurt. These sensible standards will keep them on the job and prevent costly workplace injuries.

Opponents of these common-sense guidelines claim that they will "regulate every ache and pain in the workplace." This is simply not true. These standards will only ensure that companies make someone responsible for ergonomics standards and that employees are not afraid to report these injuries. This is hardly an overwhelming request.

We must keep the Ergonomics standards in place. These standards protect hard-working Americans who deserve to work without the threat of injury.

I urge all of my colleagues to stand with hard-working Americans and to oppose this harmful legislation.

SAINT PATRICK'S DAY MARCH 17, 2001

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. GILMAN. Mr. Speaker, on March 17th, again we approach another glorious, joyous Saint Patrick's Day. The Irish people around the globe, along with the millions here in our nation linked to the Emerald Isle by heritage, as well as their friends worldwide, join in celebrating this glorious day honoring the patron saint of that beautiful country of so many warm and generous people.

The American experience is linked closely with the Irish people. Ireland has given us numerous Presidents with links to both the north and south. Its diaspora fought for our nation as early as with General George Washington as we gained our own independence from Great Britain. Today, more than 44 million Americans claim Irish heritage.

It is only fitting that our nation assist the Irish people in finding lasting peace and justice in the north of Ireland and in ending the bitter, divisive, and tragic conflict, that the Irish call the "Troubles." For the past eight years the U.S. Congress in a bipartisan way fully supported President Clinton in all of his Irish peace process initiatives which eventually helped produce the Good Friday Accord of April 1998, under the guidance and steady hand of former U.S. Senator George Mitchell.

The Good Friday Accord is the road map for lasting peace and justice in the north of Ireland, which we and all the parties to that accord, as well as both governments in the region should honor, abide by, and use for the new shared governance created so that both traditions can live in harmony, peace, and equality in the north under the concept of mutual consent. The Irish people north and south approved the accord in referendum. They want peace!

Now, with a new Administration coming to power in Washington, many wonder if the Irish peace process will be given the same priority

by the Administration of George W. Bush. We in the Congress stand ready to provide the same kind of across the board bi-partisanship support for the new Administration in the continuing search for a lasting peace and justice in Ireland. We owe that to the new Administration, as well as to the Irish people, who have given so much to this nation of ours from its very founding until today.

Candidate George W. Bush supported the GOP platform in Philadelphia in 2000 which said: "The next President will use the prestige and influence of the United States to help the parties achieve a lasting peace." Candidate Bush himself went on to set out his own approach in a letter to the Irish Prime Minister Bertie Ahern on September 8, 2000, stating ". . . the entire island of Ireland have a friend in George W. Bush. America should remain engaged in the Irish peace process, and I will work hard and pray always for a lasting peace in Northern Ireland."

For those of us who have observed President George W. Bush in his first weeks of office abiding by and living up to his 2000 campaign promises and pledges, no one doubts that Ireland will be high on his foreign policy agenda, and that the Congress will support him.

Mr. Speaker, I submit the letter from George W. Bush to the Irish Prime Minister at this point in the RECORD and I invite my colleagues to join in wishing our Irish-American friends and all of Ireland a Happy Saint Patrick's Day!

GOVERNOR OF TEXAS,
Austin, TX, September 8, 2000.

Hon. BERTIE AHERN, T.D.,
Taoiseach, Republic of Ireland.
Dublin, Ireland.

DEAR BERTIE: I want to extend my personal greetings to you, and to express my admiration for your commitment to peace in Northern Ireland. The road has been long, and it has not been easy, but you have succeeded in furthering reconciliation and bringing an elected representative Assembly to Northern Ireland.

You may be assured of my personal interest and full commitment to helping move the peace process forward. I believe that the support of the United States was an important element in helping the parties achieve the Good Friday Agreement, and that America should be ready, if necessary, to appoint a special envoy to further facilitate the search for lasting peace, justice, and reconciliation.

I am encouraged by the very real economic growth that has come to the entire island of Ireland. At least part of this growth can be credited to the strengthening of business ties between the United States and Ireland, and I strongly support continued and increased private American investment in both Northern Ireland and the Republic.

I am also encouraged by the work of Chris Patten and his Commission in reviewing and recommending reforms of the police authorities in Northern Ireland. I appreciate the importance of tradition and symbols, and the sensitivities of the communities in Northern Ireland on this issue, and support the full implementation of the Commission's recommendations.

Please know that you and the people of the entire island of Ireland have a friend in George W. Bush. America should remain engaged in the Irish peace process, and I will work hard and pray always for a lasting peace in Northern Ireland.

Sincerely,

GEORGE W. BUSH.

EUROPEAN COURT OF JUSTICE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. BEREUTER. Mr. Speaker, earlier this week the European Court of Justice, the supreme judicial body of the European Union, ruled that a former employee of the European Commission (EC), Mr. Bernard Connolly, was legitimately fired by the Commission after he published a book critical of the European Monetary Union. Although the court, in ruling against Mr. Connolly's appeal of his sacking, attempted to cloak its decision in the right of the EC to take disciplinary action when an employee's behavior undermined the trust and confidence that needs to exist between employee and employer (Connolly had published his book without prior permission from the EC), it went on to ascribe to the EC the right to curb dissent and punish individuals who "damaged the institutions image and reputation." In making this kind of argument, the Court comes disturbingly close to harkening back to the discredited concept of seditious libel.

The European Union is already under fire because of the lack of democracy in the way many of its institutions, particularly the European Commission, has operated. There is a lack of transparency in the manner in which regulations are established and promulgated, there is said to be a significant lack of accountability on the part of certain important categories of senior EU officials, there is said to be too little oversight exercised by institutions representing the citizens of Europe, and the legislative branch, the European Parliament, which under a regular democracy would fulfill such functions, is still in only the initial stages of asserting such prerogatives more than a quarter of a century after its establishment. In the light of this remaining democratic deficit, the European Court of Justice's ruling against Mr. Connolly is not so much surprising as it is alarming.

Mr. Speaker, it has been longstanding policy of the United States to support the creation of first, the European Economic Community, which became the European Community, and then in 1992, the European Union. It made sense from the standpoint of our own interests to have an overarching institution which could serve as a brake upon the possible resurgence of nationalism and conflict on the European continent, and to have our closest trading partners organized as a single market with a single set of regulations for us to do business on the other side of the Atlantic.

Now, however, we are seeing much more ambitious and far reaching efforts aimed at creating, if not a "United States of Europe," then a federated Europe with as many of the attributes of a single state as can be agreed upon by its member nations. The European Security and Defense Policy is one manifestation of these efforts, and it has certainly caused a great deal of concern because of the potential to weaken NATO and undermine the solidarity of the North Atlantic Alliance. Another manifestation is the emergence within the European Commission of much more strident economic and trade policies which have fostered increasingly bitter and divisive disputes between the U.S. and our European trading partners.

The ruling of the European Court of Justice in the Connolly case strikes at the heart of our common traditions and institutions which are pinned upon basic precepts of human rights. None of which is more fundamental than freedom of speech. If the EU truly believes that it can set itself up to be beyond the reach of spoken or written criticism of its policies, then Mr. Connolly's statement, "The Court is acting as the sinister organ of a tyranny in the making" is completely accurate, and those of us who value the trans-Atlantic relationship need vigorously to speak out against it. Our relationship with our friends in Europe will only ensure so long as we continue to hold in common our belief that human rights are fundamental in our society, and our faith in the traditions and institutions that underpin our democratic form of governance.

CERRO GRANDE FIRE ASSISTANCE

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mrs. WILSON. Mr. Speaker, last year was a difficult one for our country's public lands and the people and communities who live near them. It was dry and hot and firefighters worked long, back-breaking hours to extinguish flames that seemed to go on without end. My colleagues in this House know of the tragedies Americans experienced last year because of forest fires. It was a very hard year.

But some situations were made even worse when the fires weren't natural disasters. Some were started by the very people we trusted to steward the land. The National Park Service started a fire in my home state of New Mexico during a particularly dry and windy week. More than 400 people lost homes and businesses to the Cerro Grande fire, and hundreds of acres of tribal lands were also devastated.

Congress acted quickly, though, and passed The Cerro Grande Fire Assistance Act, S. 2736. It was attached to the Military Construction Appropriations bill and was signed into law on July 13, 2000. This legislation made up to $455 million available to fire victims so they would be quickly compensated for their losses and could begin rebuilding their lives.

Things seemed to progress well, save for a few kinks that were worked out. But it's tax season, and there are hundreds of people in my home state of New Mexico who are waiting to file their taxes because they need information about how to characterize federal government compensation for the May 2000 Cerro Grande fire.

The Federal Emergency Management Agency (FEMA) has issued and will continue to issue hundreds of payments in response to

filed claims for compensation. However, there remain several unresolved questions regarding this compensation. As the April tax-filing deadline quickly approaches, taxpayers need to know what portions of the compensation they receive are taxable and how that will be determined. In spite of repeated requests from the New Mexico congressional delegation, the Internal Revenue Service (IRS) has still not issued a written decision resolving these questions. These Americans deserve answers now.

The Internal Revenue Service is not playing fair. Although very clear about its tax filing deadlines and penalties for noncompliance, the IRS is not extending the same courtesy it requires. How can taxpayers meet deadlines when they lack information the IRS must provide?

The federal government started this fire and must continue to take responsibility for it. This disaster never should have happened. I am committed to doing everything I can to ensure that the federal government moves quickly, makes the necessary decisions, and allows the victims of this horrendous fire to rebuild their lives.

RECOGNITION OF WOMEN'S HISTORY MONTH, AND A TRIBUTE TO SENATOR CYNTHIA JOHNSTON TORRES

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. UNDERWOOD. Mr. Speaker, I rise today in support of March as Women's History Month and March 8 as International Women's Day. I would also like to honor the late Honorable Cynthia Johnston Torres, a distinguished member of the Third Guam Legislature.

Women's History Month is a time to pay tribute to the women of our nation, in appreciation for their contributions to the political, social, economic, and cultural development of our country, in recognition of the many struggles and obstacles that they face, and in honor of the integral role that women have played in American history. Women make up over half of our country's population, or about 139 million in 1999, and have changed our nation in positive ways. Women have made their mark in various fields such as science, business, education, health, the public sector, the arts, entertainment, and the list goes on.

The progress of women today must be considered in conjunction with continuing challenges. Today women affect and are affected by the major issues on our nation's agenda, including health care, Social Security, Medicare, tax reform, etc. Most recently, ergonomics issues are impacting women, who represent 64 percent of repetitive motion injuries that result in lost work time. It is encouraging that six in ten women participate in the labor force, however employment discrimination and unequal pay still exist. The future looks promising as women are demonstrating increased participation in all levels and branches of government. Unfortunately, expectations still exist about their ''traditional'' roles.

Today, women are marrying at later ages, yet domestic and family violence continues throughout the country. Also across the nation, women's studies and gender studies are on the rise in higher education institutions, however women still need to be acknowledged as critical players in the history of America. Today I would like the opportunity to recognize the achievements of women amidst such challenges, challenges that our entire nation must face from within the fifty states to the five territories.

Women's History Month has its own history that illustrates the gains women have accomplished in the last century. In order to reflect on international connections among women, some European nations have been celebrating International Women's Day on March 8 since 1911. Following women's suffrage in 1920 and the valuable contributions made by women to the war industries during the 1940's, women's issues were pushed to the forefront during the 1960's. The history of women was finally acknowledged in schools during the 1970s, and in 1981, the National Women's History Project spearheaded the initiative for National Women's History Week. The U.S. Congress passed a resolution in recognition of this week, and in 1987, the week was expanded to National Women's History Month. In keeping with the annual

My district of Guam proudly takes part in celebrating Women's History Month. The Bureau of Women's Affairs holds events recognizing women's accomplishments, addressing women's issues, and empowering women to be the best that they can be. The theme for 2001 is ''Celebrating Women of Courage and Vision,'' and there will be a proclamation signing not only for Women's History Month but also for the Year of the Family.

Today, the spirit of community in Guam was alive and well, as the Bureau of Women's Affairs and the Guam Council of Women's Club celebrated International Women's Day. In an event involving the participation of various women's clubs and organizations from the government of Guam and the private sector, organizations learned more about each other and shared information while cultural delicacies and artwork of Guam were showcased for all to see.

The children of Guam are also active during Women's History month, as they participate in a poster and essay competition in promotion of this year's theme ''Celebrating Women of Courage and Vision.'' Elementary school children submit posters, and middle school and high school students enter essays, all of which are displayed at the Center Court at Micronesian Mall. Such an event raises early awareness on women's issues and fosters early recognition of women's contributions to Guam.

Finally, at the end of the month, the outstanding women of Guam for the year 2000 will be honored at the 7th Annual Awards Banquet at the Guam Marriott Resort. Winners from the categories of non-traditional role; grandmother; GovGuam/Federal (civil service); mother; community (local/military); and private sector will be announced. The influx of nominations illustrates that indeed the island embraces women of courage and vision.

Although this year's award recipients have not yet been named, the numerous women before them can again be recognized for paving the way in demonstrating leadership skills and commitment to our community and to our nation. For example, women in the public sector in Guam have made great strides over the past half century. They continue to be role models for our youth while encouraging political participation for all of the people of Guam.

In the Executive Branch, Lieutenant Governor Madeleine Bordallo holds the highest position held by a women in Guam, and she currently serves her second term at this important post. There are 11 out of 60 female heads of agencies, including Andrea Finona of the Guam passport Office; Sheila Torres of the Agency for Human Resources and Development; Jeanette R. Yamashita of the Chamorro Affairs Department; Isabel Lujan of the Department of Commerce, Rosie R. Tainatongo of the Department of Education; Deborah J. Bordallo of the Guam Council on the Arts and Humanities; Geraldine ''Ginger'' S. Underwood of the Guam Educational Telecommunication Corporation, KGTF; Taling Taitano of the Guam Housing and Urban Renewal Authority; Dr. Davina Lujan of the Guam Memorial Hospital; Thelma Ann Perez of the Guam Power Authority; and Christine K. Scott-Smith of the Guam Public Library.

In addition, 6 out of 40 deputy directors are women. They are: Rosanna San Miguel of the Agency for Human Resources and Development; Tina Muna-Barnes of the Department of Integrated Services for Individuals with Disabilities; Jamema G. Maravilla of the Guam Energy Office; Cil P. Orot of the Guam Public Library; Theresa R. Cruz of the Guam Visitors Bureau; and Aurora F. Cabanero of the Mental Health and Substance Abuse Agency.

While others have served in acting capacities, Lourdes T. Pangelian is the only woman who has served as the permanent Chief of Staff for the Governor of Guam. Another noteworthy woman is Doris Flores Brooks, a former Senator in the Guam Legislature who is the first woman to be elected as Public Auditor.

As you can see, political representation by women is encouraged on Guam. Guam law requires all Government of Guam boards and commissions to maintain at least two female members. Several key boards have female chairpersons, such as former Senator Pilar Cruz Lujan at the Guam Airport Authority; Lillian Opena at the Guam Council of Youth Affairs; Dr. Heidi San Nicolas at the Guam Development Disabilities Council; Miriam S. Gallet at the Guam Environmental Protection Board of Directors; Corina G. Ludwig at the Guam Mass Transit; Ann Muna at the Guam Memorial Hospital; Bernadita Quitugua at the Guam Museum; and Arlene P. Bordallo at the Port Authority of Guam Board of Directors.

Women's participation in the Legislative Branch has also increased over the years. The first elected female to public office was Rosa T. Aguigui of Merizo, who was elected to the Guam Congress in 1946. Since 1986, women represented nearly ⅓ of the membership of the Guam Legislature. Female membership was at its peak in 1990 seven women were elected to serve in the 22nd Guam Legislature, which consisted of 21 members. During three separate years, women were the highest vote-getters for a legislative campaign:

in 1986, Marilyn D.A. Manibusan had the most votes, in 1988, it was Madeleine Z. Bordallo; and in 1990, Doris Flores Brooks captured the largest number of votes. Female legislators that have held the highest offices are Vice Speaker Katherine B. Aguon; Legislative Secretaries Pilar C. Lujan, Elizabeth Arriola, Judith Won Pat-Borja, and Joanne Brown; and Rules Committee Chairperson Herminia Dierking.

In 1954, Largimas Leon Guerrero Untalan and Cynthia Johnston Torres were the first women to be elected to the Guam Legislature. Currently, 3 out of the 15 Members are women: Senator Joanne M.S. Brown, who is Legislative Secretary and Chairperson of the Committee on Natural Resources; Senator Lou A. Leon Guerrero, who is the Assistant Minority Leader; and Senator Judith ''Judy'' T. Won Pat, the Assistant Minority Whip. Past members include: Lagrimas Leon Guerrero Untalan, Cynthia Johnston Torres, Katherine B. Aguon, Carmen Artero Kasperbauer, Madeleine Z. Bordallo, Elizabeth P. Arriola, Pilar C. Lujan, Marilyn D.A. Manibusan, Hermina Duenas Dierking, Marcia K. Hartsock, Martha Cruz Ruth, Doris Flores Brooks, Marilyn Won Pat, Senator Hope A. Cristobal, Senator Carlotta Leon Guerrero, and Senator Elizabeth Barrett-Anderson, who is currently a Superior Court Judge. The highest staff position held by a female in the Guam Legislature is Deputy Director, held by Dorothy Perez.

Women have made promising gains in the Judicial Branch as well. Two out of 17 judges of the Superior Court are women: Judge Frances Tydingco-Gatewood and Judge Katherine A. Maraman. In the past, 2 our of 3 full-time Supreme Court Justices were women: Justice Janet healy-Weeks, who retired about two years ago, and the late Justice Monessa Lujan. Three out of 19 Mayors are women, including Isabel S. Haggard, who is in her fourth term as the Mayor of Piti and is also a former Vice President of the Mayor's Council; Mayor Pita Tainatongo of Merizo, who is serving her first term;a nd Concepcion B. Duenas, Mayor of Tamuning-Turnon, who is also serving her first term and is a former Vice Mayor. Three out of 5 Vice Mayors are women, including June U. Blas of Barrigada; Melissa B. Savares of Dededo; and Nancy T. Leon Guerrero of Tamuning-Turnon, who are all serving their first term.

Past female mayors include: Rossana D. San Miguel of Chalan Pago; Patricia S. Quinata of Dededo; Nieves F. Sablan of Piti; and Cecilia Quinata Morrison of Umatac. Past Vice Mayors include Doris S. Palacios of Dededo; Teresita B. Umagat of Dededo; Margaret D. Mendiola Mayor of Sinajana; and Marie S. N. Leon Guerrero of Tamuning-Tumon.

Women have also held high positions in political parties. Mayilyn D.A. Manibusan was the first and to date the only female chairperson of the Republican Party, holding office in 1986, and Priscilla Tenorio Tuncap was the first female chairperson for the Democratic Party from 1990 to 1992. Pilar Cruz Lujan was elected last year and currently serves as the Democratic chairperson. Pilar Cruz served as the Vice Chairperson of Guam's Republican Party in the past. Nationwide, Madeleine Z. Bordallo is the longest-serving national committee woman on the Democratic National Committee and has served in this capacity since the Kennedy Administration.

In addition, Antoniette Duenas Sanford is the only woman to have served as Chairperson of the Guam Chamber of Commerce, and Eloise Baza has served as the first female President of the Guam Chamber of Commerce for the last several years.

As a native Chamorro from Guam, I am proud to announce some of the ''firsts'' for Chamorro women, a few of which I have mentioned already. Dr. Olivia Cruz was the first Chamorro woman licensed by the Medical Licensure Board; Frances Marie Tydingco Gatewood was the first Chamorro woman judge of the Superior Court; Elizabeth Gayle was the first Chamorro woman to be civil engineer; Dr. Rosa Robert Carter was the first Chamorro woman president and the only female President of the University of Guam; Mary Inez Underwood was the first woman of Chamorro ancestry to enter the religious life; Elizabeth Barrett Anderson was the first Chamorro woman Attorney General; Rosa T. Aguigui Reyes was the first Chamorro woman elected to public office, as a member of the Guam Congress; Dr. Katherine B. Aguon was the first Chamorro woman to earn a doctor of philosophy degree and the first female vice speaker of the Guam Legislature; Cynthia Torres and Lagrimas Leon Guerrero Untalan were the first Chamorro women elected as senators, both serving in the 3rd Guam Legislature; and Asuncion Flores was the first Chamorro woman appointed member of the assembly of the Guam Congress.

These women in public service have been exemplary for the entire island and for our nation. I am truly honored to represent a district with such strong women leaders.

Historically, the women of Guam have always played an important role in Guam society. In pre-Western contact times, the Chamorro society was based on a matrilineal clan system in which women performed important and powerful roles in the lives of the people. Lineage was traced through the female line and it was the relationships via the mother which determined wealth, social standing and power. Even with the onset of Western contact which was patrilineal in nature (particularly from Spain), the Chamorro female retained much formal and informal power in Guam society. This has carried itself to the present and girls and women continue to be influential in some social settings and dominant in others. Openness to female leadership and women in influential roles have been part of the Guam scene in spite of Western contact.

We must also pay tribute to the women who I have not mentioned by name, yet who have also had a significant impact on our lives: working women, who fight for equal pay and non-discriminatory treatment; the women who stand up against domestic and family violence; the women who teach our children to become future leaders and the women who continue to learn in higher education institutions; the female community leaders who advocate for women's issues and for all important issues; lesbian women who are still fighting for the acceptance that they rightfully deserve. Last but not least, let us pay tribute to mothers, who provide love and direction so that our children are raised to become citizens with decency and values; single mothers, who make sacrifices every day so their children can live good lives; daughters, who grow up to become independent women of integrity and diligence; and wives, who provide companionship and stability.

These are the women we celebrate in March for Women's History Month, and these are the women we should celebrate all year round. I urge my colleagues to recognize Women's History Month, not only because women's history is key to American history, but because women have contributed so much to our nation through their strength, courage, and vision.

At this time, I would like to make note of the recent passing of a woman who has provided inspiration to all of the people of Guam, the Honorable Cynthia Johnston Torres. It is with a great sense of loss that we commemorate Senator Torres, a distinguished member of the Third Guam Legislature who passed away two days ago at the age of 89 on March 6, 2001.

Senator Torres is a noted figure in Guam politics. She holds the distinction of being one of the first women to be elected to public office on the island of Guam. Along with Lagrimas L.G. Untalan, the late senator was elected to serve in the Third Guam Legislature in 1954. They were the first and only women elected to the Guam's unicameral Assembly during the first ten years of civil government on Guam. Although women had previously served as appointees to the Guam Congress, an advisory board to Guam's Naval governors during the first half of the last century, Senators Torres and Untalan's election marked the first time that women would serve as ''elected'' representatives to the people of Guam.

Foremost among the reasons behind the candidacy of Guam's first women senators were two specific objectives—these objectives were to define the character of Guam politics in the years to come. The candidates intended to set a precedent. They wanted to have Guam's women involved in civic and political affairs. They believed that women should be independent, assertive and outspoken. The significant number of women on Guam who have since served in key positions and elected to public office demonstrates the fulfillment of this goal.

The other objective set forth in the 1954 elections was to break the concept of block voting—a practice where an ''X'' placed by a voter on a large box within the ballot automatically casts votes for a certain party's slate of candidates. During the elections for the First and Second Guam Legislatures, the forerunner of the Guam Democratic Party, the Popular Party, was the only major political party in existence. Members of this party had absolute control of the First and Second Legislatures. In 1954, Senator Torres' election as an independent to the legislature earned her a prominent position which ensured leadership status when the Territorial Party—the forerunner of the Guam Republican Party—was formed in 1956. Guam voters have since been known to cross party lines and cast votes for candidates they feel most qualified rather than for party affiliations.

As a member of the Third Guam Legislature, Senator Torres played a vital role in the

passage of important legislation—the most notable being Public Law 42, which established trial by jury in certain cases within the jurisdiction of the District Court of Guam. In addition to a wide range of bills which codified the island of Guam's administrative and corporate procedures, the establishment of the Guam Memorial Hospital, the only civilian hospital, took effect during the Senator's tenure.

Although undoubtedly a very distinguished political figure, Senator Torres left a more distinct mark in the field of education. Born on July 27, 1911, to William G. and Agueda Iglesias Johnston, the senator took a path not much different from the ones taken by her parents. As the daughter of prominent educators, her parents' profession led her to devote her life to the field of education. Having received training in California, Senator Torres returned to Guam in 1932 to be a teacher, She married a successful local entrepreneur, Jose Calvo Torres, shortly thereafter. Mr. Torres passed away in 1946. The Senator took over his business ventures and quickly became a respected member of the local business community.

Having noted the lack of educational opportunities for Guam's handicapped children, Senator Torres decided to sell her business interests in 1958 in order to pursue a degree in elementary and special education. Upon completing her Master's Degree at the University of California in San Diego, she came back to Guam to become a consultant for the island's only school for the physically and mentally handicapped children. She later became its principal. Under her direction, the school developed and implemented educational and vocational programs which she added to the customary custodial care provided by the school to handicapped children.

She retired from government service in 1975 and, in recent years, has served the community through her involvement in civic organizations. She was a member of the University of Guam Board of Regents, the Guam Economic Development Authority, the Marianas Association of Retired Citizens. She was a co-founder and charter member of the Guam Lytico-Bodig Association, she has served as chair to the Guam Memorial Hospital's Board of Trustees and she was a past-president of the Guam Association of Retired Persons.

For all her work and accomplishments, Senator Torres was conferred numerous awards and commendations. She has received several commendations from the Guam Legislature including Resolution 282 from the 20th Guam Legislature which recognized and commended her love and service for the people of Guam. In addition, she was also awarded an honorary Doctor of Law Degree from the University of Guam in 1981 and the Distinguished Leadership Award from the American Biographical Institute for Outstanding Education.

Senator Cynthia Johnston Torres leaves a great legacy of service and devotion to the island and people of Guam. A pioneer in the field of politics and education, her endeavors and accomplishments provide inspiration to the men and women of Guam. As we mourn her passing, her perseverance and energy will forever live in our hearts.

Adios, Senator Torres, yan gof dangkalo na si Yu'os Ma'ase ginen todos I taotaon Guam. You are an inspiration to the people of Guam and to our nation. During Women's History Month and beyond, we will celebrate your life and your legacy.

THE ''VETERANS AMERICAN DREAM HOMEOWNERSHIP ASSISTANCE ACT''

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. HERGER. Mr. Speaker, I rise today to join with my Ways and Means colleague Congressman KLECZKA in introducing the Veterans American Dream Homeownership Assistance Act. This very worthy legislation will help veterans in five states, including California, to achieve their dream of home ownership.

Five states—Wisconsin, California, Texas, Oregon, and Alaska—have a program in which the states issue tax-exempt bonds to finance home mortgage loans to veterans. Under a little-known provision in the 1984 tax bill, veterans living in those five states who began military service after 1976 are prohibited from receiving a state-financed veterans home mortgage.

This means that our servicemen and servicewomen who served in Grenada, Panama, and the Gulf War cannot get veterans home mortgages from their own state government while veterans who served before that time are fully eligible. Are those who began serving their country after 1976 any less deserving than their predecessors?

This arbitrary cutoff was created to raise revenue for the 1984 tax bill by limiting the use of tax-exempt bonds to finance state veterans mortgage programs. In 1984, there were very few veterans who entered service after 1976. Because of their small numbers, the affected veterans were unable to stop this unfair change in the law. But, fifteen years later, there are hundreds of thousands of veterans who have served our country honorably in that period and they are calling for a change in the law. The state veterans affairs departments believe that if this bill becomes law, they can help a great number of the post-1976 veterans purchase their own home.

Our bill will simply eliminate the arbitrary cutoff that exists under current law. Under our proposal, former servicemen and servicewomen who served our country beginning in 1977 or any other year after that will be eligible to apply for a home mortgage loan provided by their state. This legislation does not increase federal discretionary spending one cent—it simply allows the states to help their veterans own a home regardless of when they served.

Mr. Speaker, arbitrary rules in the tax code should not stop our states from helping all veterans who served our nation honorably. I urge my colleagues on both sides of the aisle to join with us in supporting this measure to assist those who have spent so much of their lives defending our freedom.

EXPANDING HOMEOWNERSHIP

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. LAFALCE. Mr. Speaker, this week, I introduced two bills designed to strengthen the Federal Housing Administration (FHA) single family mortgage loan program. The two bills, H.R. 859, the ''FHA First-time Homebuyer Act'' and H.R. 858, the ''FHA Down Payment Simplification Act,'' would expand homeownership, reduced defaults on FHA loans, and simplify the process of securing an FHA loan.

The first bill, the ''FHA First-time Homebuyer Act'' would pass along to first-time homebuyers the saving from HUD's recent cut in the FHA up-front loan fee into a dollar for dollar reduction in the required down payment. In addition, by conditioning this down payment reduction on a requirement of homeownership counseling, the legislation would reinstate the financial incentive for first-time homebuyers to undergo pre-purchase homeownership counseling, thus reducing default rates for these borrowers.

Late last year, HUD reduced the up-front premium customarily charged on single family FHA loans from 2.25% to 1.50% of the loan amount. However, because of a quirk in the statutory formula which sets maximum loan limits, not a single dollar of this premium reduction accrues to the borrower with respect to lowering the down payment. Thus, a major portion of the benefit of the fee reduction benefit is deferred until the loan is paid off or prepaid—which could be years or even decades later.

My legislation would allow 100% of the recently announced FHA fee reduction to be passed along to a first-time homebuyer in the form of a reduced down payment. This will have the effect of reducing a borrower's down payment by as much as $1,755, depending on the loan size. Reduced down payments will make it easier for young families to buy a home.

Moreover, this down payment reduction will not pose a risk to the FHA single family mortgage fund, since maximum loan-to-value levels, even with this change, will not be any higher than they were prior to last year's fee reduction. In practice, the legislation would have the effect of reducing defaults, because the lower down payment option is conditioned on the borrower competing a course in homeownership counseling.

The second bill, the ''FHA First-time Homebuyer Act'' would make permanent the temporary FHA down payment simplification formula, which is scheduled to expire in December of next year. The FHA down payment simplification formula is widely considered to be a tremendous improvement over the confusing, two-part down payment formula that preceded it.

Unfortunately, our recent practice of providing only a periodic extension of this improved down payment formula has resulted in unneeded uncertainty. Lat year, as its interim status was about to expire, the FHA Commissioner was forced to issue a clarification that loans closed before October 1, but insured

after October 1 were eligible for the simplified treatment. Subsequently, Congress was forced to step in to pass a stop-gap 30-day extension, and then a further 26 month extension of the simplified formula, through December, 2002. A permanent extension, supported by the major real estate organizations, would avoid these periodic crises.

FHA is an effective program which helps middle class and low-income families buy a home, and makes a $2.4 billion annual profit for the government. These two bills will make it even better.

SOUTH BAY WOMEN'S SUMMIT

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Ms. HARMAN. Mr. Speaker, in honor of International Women's Day, I would like to highlight an event occurring in California's 36th District in April. To recognize women throughout my district, the Women's Coalition South Bay is sponsoring the South Bay Women's Summit.

This Summit will give us the opportunity to discuss issues important to women around the world, such as workplace and pay equity and improved childcare.

Mr. Speaker, another critical issue that will be discussed is reproductive choice. I respect every woman's personal decision on choice, and feel strongly that Congress should not dictate to women how that choice should be exercised. This right is coming under attack around the world, and here in the United States. The South Bay Women's Summit will give women the chance to talk about ways we can protect this right, including ensuring access to Mifepristone and allowing U.S. funding of overseas family planning clinics.

The women of the South Bay provide networking opportunities, a shoulder to lean on, and the chance to relax with good friends. I am proud to be participating in the South Bay Women's Summit, which will illuminate issues that deserve our attention, and provide a framework for future action.

OUR SERVICEMEN DESERVE MORE

HON. JO ANN DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I rise today to address the needs of our servicemen. Often, we will hear that our servicemen require a pay raise. That is absolutely true, however, not for the reasons usually cited. They simple deserve it.

Mr. Speaker, over the past several months I have had the opportunity to visit the military bases in my district and to speak with many of the junior solders, sailors, and Marines about their service. Without hesitation, they have all told me that they love serving the country, but are frustrated by the constant deployments, poor housing, and a constant lack of spare parts.

I realize that we have addressed some of these problems, but we have much more to do. If we do not more fully address them, we will shortchanging not only ourselves, but actively endangering our grandchildren. However, the issue remains, our servicemen deserve more.

Mr. Speaker, I am proud to say that our President has forwarded a budget that will allow us to substantively increase our servicemen's pay and benefits. This is good for the present, however, more needs to be done in the long term.

The realities are ugly. Our servicemen are underpaid. Furthermore, over the past several years, we have set military pay .5% below the Employment Cost Index. This was wrong. It shouldn't have happened. But worst of all, it treats our servicemen as second-class citizens. While civil service has never paid as much as the civilian sector, we should at least ensure that those who provide the most important civil service, defense of our nation, the same level of compensation as other government employees.

This is an issue of justice, and an issue of fundamental fairness. It is not acceptable to ignore this issue any longer.

Mr. Speaker, now I realize that this is something that cannot be solved overnight. However, it is an issue that we must address for the future. For, if we continue to treat our soldiers, sailors, airmen and Marines in such a manner, they will eventually realize that our servicemen will vote with their feet.

While they won't rank it first among their problems, our servicemen do cite this injustice. But, let me take a minute to cite why this is even more urgent. Our services, with our encouragement, have fundamentally transformed to become more family friendly. As a result, the pressure on many servicemen increases when they are forced to move overseas. Oftentimes, their spouse is unable to find employment, and as result, these families lose a significant part of their income.

Mr. Speaker, families are a force multiplier when you deal with an all volunteer force. They are a motivator and an integral part of our defense strategy. Because of this, we must address inadequate pay. The time has come. We need to address this now and for the future. We have waited too long.

We must raise our servicemen's pay.

TRIBUTE TO LARRY MAZZOLA

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Ms. PELOSI. Mr. Speaker, I rise to pay tribute to a great San Francisco leader, Larry Mazzola, for his years of dedicated service to the community. The Bay Area Union Labor Party is honoring Larry, and it is my privilege to join them in praising this outstanding San Franciscan.

When Larry entered the workforce in 1961, he began as an apprentice in the UA. Upon his graduation, he became an Assistant Apprenticeship Coordinator. Working with the UA's Local Union 38 in San Francisco, he became a Business Agent in 1972. By 1980 he had risen to be Business Manager of Local 38 as his father had before him. In addition to his responsibilities as Business Manager, he currently serves on the UA's General Executive Board.

Outside of his work with the UA, Larry has been active in a broad array of positions in the labor movement. For more than twenty years, he has served as the President of the San Francisco Building and Trades Council and serves on the Executive Committee of the San Francisco Labor Council. In both of these roles, Larry's leadership has helped to unify and develop San Francisco's labor movement. Larry has also been a member of the advisory board of San Francisco Community College's Labor Studies Program since 1972.

Larry has also twice served as an official for the City and County of San Francisco. He has brought a consistently thoughtful voice to his service on the San Francisco Airport Commission since his appointment in 1994. From 1993–1995, he served with distinction as a Commissioner on the San Francisco Recreation and Parks Commission.

Not only has Larry given much of his own life to the labor movement, but he has givenit the next generation of leadership as well. As he once followed in his father's footsteps, Larry's sons are now following in his. Larry Jr. is now the Business Agent for UA Local 38 and Stephen is the Assistant Apprenticeship Coordinator.

Larry Mazzola has been an outstanding leader for San Francisco. His work in the labor movement and in the community has earned him the respect and appreciation of our City. I join his mother, Vera; his wife, Stephanie; and his children, Lori, Larry Jr., and Stephen in Congratulating him on this award.

IN HONOR OF SADIE VILENSKY'S 103RD BIRTHDAY

HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Ms. SANCHEZ. Mr. Speaker, today I pay tribute to a very prominent and inspirational woman on her 103rd birthday—Sadie Vilensky.

Sadie was born on March 8, 1898, in Henry Street Hospital in New York City, New York. She and her family moved to Jersey City, New Jersey in 1904. As a beautiful, young woman (she still is today), she married and moved with her husband to Scranton, Virginia in 1922. In 1929, she and her husband moved with their son and daughter to Los Angeles, California where they reside today.

In the 1930's Sadie and her family joined the Beth Jacob Synagogue, an orthodox sect of the Jewish religion. She served as the secretary to the Sisterhood for many years. Today, she is the oldest member of the synagogue. Her other affiliation is with the Jewish War Veterans Ladies Auxiliary. Sadie served in many offices in the organization include being elected President of Auxiliary #66.

During the 1940's Sadie was an office manager of the Mount Sinai Hospital Clinic which

is now Cedars-Sinai Medical Center. The hospital is a cancer treatment center for the terminally ill. Throughout the 1950's and 1960's, Sadie opened the Los Angeles Council of Mizrachi Women of America which is part of the Jewish Federation. The Los Angeles Council is the Israelis' official network for religious, secondary, and technical education. Under her guidance as the Executive Secretary, the Council assisted over 14,000 Israeli children throughout a network of 55 schools, children's homes and youth villages throughout Israel.

Just before Sadie retired in the early 1970's, she was recognized for her years of commitment and service to the Jewish Federation, the Los Angeles Council of Mizachi Women of America, by being named Honorary Executive Secretary. Her national office then asked her to lead a tour of 36 men and women for a three-week Passover Tour. Sadie proclaimed that "[the trip] fulfilled a dream of a lifetime."

Sadie is an incredible woman who has served the community in many exceptional ways. She is a beautiful, strong, and very inspirational woman who is young at heart and full of the spirit of life. Colleagues, please join with me today in wishing a very Happy Birthday to Sadie Vilensky.

HONORING THE ULTIMATE SACRIFICE MADE BY 28 UNITED STATES SOLDIERS KILLED DURING OPERATION DESERT STORM

SPEECH OF

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 27, 2001

Mrs. WILSON. Mr. Speaker, I support H. Con. Res. 39, a resolution that honors the ultimate sacrifice made by 28 United States soldiers killed by an Iraqi missile attack on February 25, 1991, during Operation Desert Storm, and resolving to support appropriate and effective theater missile defense programs.

I was delayed from making it to the House floor last week and unable to record my vote in favor of H. Con. Res. 39 due to airline problems and delays.

ALTERNATIVE EDUCATION FOR SAFE SCHOOLS AND SAFE COMMUNITIES ACT OF 2001

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. KILDEE. Mr. Speaker, today I am introducing the Alternative Education for Safe Schools and Safe Communities Act of 2001. This legislation will assist States and school districts in their efforts to fund alternative education programs and services for students who have been suspended or expelled from school and reduce the number of suspensions and expulsions. This legislation will provide our schools with an important tool in their efforts to ensure safer schools and safer communities while providing vital educational opportunity.

Presently, numerous students are suspended or expelled from school annually. Regardless of the reason these students received a suspension or expulsion—disruptive behavior, verbal abuse, a violent act—they are often left to fend for themselves without any educational services, or worse yet no supervision or guidance. The loss of educational services for these students is a destructive force to their chances to advance academically, be promoted from grade to grade, or to resist the temptation to drop out of school. In addition, students not in school and without any supervision can bring the problems which necessitated their suspension or expulsion to the community—increasing juvenile delinquency and possibly other violence and crime.

Under the Gun-Free Schools Act, schools are required to expel a student for one-year if they bring a firearm to school. In school year 1997–1998, that amounted to 3,507 expulsions. Unfortunately, fewer than half of these students were referred for alternative education placements. In fact, students expelled for firearm violations often do not receive education services through alternative programs or schools. This lack of continuing education and supervision may put the community at risk of gun violence from these children.

While there are times when students may need to be removed from their school due to behavior, whether violent or non-violent, little is accomplished by risking their academic future through a lack of educational services. This legislation will promote alternative placements for suspended or expelled students so the problems they brought to school do not become problems of the community. The legislation would also require school districts to reduce the numbers of suspensions or expulsions of students. I would like to make it clear that this program's funding should not make it easier to remove students from the classroom in greater numbers, but rather should enhance the ability of school districts to provide continuing educational services for the students they do remove from the classroom.

Specifically, the Alternative Education for Safe Schools and Safe Communities Act of 2001 would authorize $200 million to assist school districts in reducing the number of suspensions and expulsions and establishing or improving programs of alternative education for students who have been suspended or expelled from school. Additional specifics of the program include:

States would receive allocations based on the amount of Title I, Part A dollars they receive. States would then distribute 95 percent of this funding to local school districts.

School districts would use funding to both reduce the number of suspensions and expulsions and establish or develop alternative education programs.

Students participating in alternative education programs would be taught to challenge State academic standards.

Students would be provided with necessary mental health, counseling services and other necessary supports.

States and school districts would be required to coordinate efforts with other service providers including public mental health providers and juvenile justice agencies.

School districts would have to plan for the return of students participating in alternative education programs to the regular educational setting, if it is appropriate, to meet the needs of the child and his or her perspective classmates.

School districts would have to meet continually increasing performance goals to maintain funding. These performance goals include: reductions in the number of suspensions and expulsions, reduction in the number of incidents of violent and disruptive behavior, and others.

The Department of Education would be required to identify or design model alternative education programs for use by school districts and then disseminate these examples of "best practices."

The future of all our children is too critical to allow those who have been suspended or expelled from school to become the future burdens on our social welfare system, or to have the disruptive and unsafe acts they did in schools take place in the greater community. I urge Members to cosponsor this legislation.

GUAM'S 480TH ANNIVERSARY OF DISCOVERY DAY

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 8, 2001

Mr. UNDERWOOD. Mr. Speaker, Ferdinand Magellan, one of the world's most famous explorer's, who also became known as the first European to circumnavigate the Earth, landed on Guam on March 6, 1521. In observance of this landing, the people of Guam celebrate Discovery Day. This past Tuesday, March 6, 2001, Guam celebrated the 480th year anniversary of Discovery Day.

When Ferdinand Magellan landed on Guam, he brought with him a crew dying of starvation and suffering from scurvy. The Chamorro people, the indigenous people of Guam and the original inhabitants of the island, welcomed the explorer and his crew to the shores of Guam and extended their hospitality. They replenished their water supply, restocked the ship with fresh fruits, vegetables and other food items the explorer and his crew needed.

It is important to know that prior to Ferdinand Magellan landing on Guam, the Chamorro people lived a communal life. When someone extended a lending hand, reciprocity was an unspoken understanding among the Chamorro people—to ask for something that one needed was not viewed the way someone from the western world would view it. An islander did not need to ask, they simply went to their neighbor and took what they needed. In western society this would be seen as stealing, in the ancient communal society this was seen as sharing. Everybody owned everything and shared whatever they had with others in the community—nobody was left to want for anything. This was a structured and a highly organized society with a people who had customs and beliefs of their own, were excellent craftsmen, fishermen and seafarers.

Historians are not clear on the exact date or reason the ensuring event took place, but to

punish the Chamorro people for taking his skiff, Magellan killed several Chamorro male villagers and burned many of their homes. It may have been that the Chamorro people only expected reciprocity for their hospitality and as seafarers they were curios in the skiff. It may also have been the lack of knowledge and understanding of a different society's structure and beliefs that led to Magellan punishing the people of Guam. What the Chamorro people believed as payment for their hospitality was more than likely viewed as theft from the perspective of Magellan and his crew. Soon after this unfortunate event Magellan and his crew left.

It seems ironic that Guam would celebrate a day which actually led to death and destruction on the island, and it seems ironic that Guam would celebrate a day alleging its discovery, when in fact, Guam was not a desolate island; it was a populated island, with organized societal structures and a full and robust civilization.

The commemoration of Magellan's visit is now ironically merged with the celebration of Guam's native culture. During the month of March schools, businesses, and community organizations take the time to reflect upon the meaning, the spirit, and the survival of the Chamorro people. As one of the originators of the celebration in Guam schools, I take great pride in acknowledging the spirit of self-renewal and self-discovery which Guam is currently undergoing. I also must take note of the historical disaster which befell the Chamorro people of Guam as a result of contact with the Europeans. In the century after Magellan, Spainish missionaries decided to settle the Mariana islands. As a result of this decision, war and disease reduced the native population by an estiamted 90 percent. Miraculously, the people survived so that their descendants, I among them, can proudly say 'we survived.'

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HURAU'S SPEECH TO HIS WARRIORS

The Europeans would have done better to remain in their own country. We have no need of their help to live happily. Satisfied with what our islands furnish us, we desire nothing else. The knowledge which they have given us has only increased our needs and stimulated our desires. They find it evil that we do not dress. If that were necessary, nature would have provided. They treat us as gross people and regard us as barbarians. But do we have to believe them? Under the pretext of instructing us they are corrupting us. They take away from us the primitive simplicity in which we live. They dare to take away our liberty which should be dearer to us than life itself. They try to persuade us that we will be happier and some of us have been blinded into believing their words. But can we have such sentiments if we reflect that we have been covered with misery and maladies ever since these foreigners have come to disturb our peace? Before they arrived on the island we did not know insects. Did we know rats, flies, mosquitoes and all the other little animals which constantly torment us? These are the beautiful presents they have made to us. And what have their floating machines brought us? Formerly we did not have rheumatism and inflammations. If we had sicknesses we had remedies for them. But they have brought us their diseases but do not teach us the remedies. Is it necessary that our cupidity and evil desires make us want to have iron and other bagatelles which only render us unhappy? The Spaniards reproach us because of our poverty, ignorance and lack of industry. But if we are poor, as they claim, then what do they search for here? If they didn't have need of us, they would not expose themselves to so many perils and make such great efforts to establish themselves in our midst. For what purpose do they teach us except to make us adopt their customs and subject ourselves to their laws and lose the precious liberty left to us by our ancestors? In a word they try to make us unhappy in the hope of an ephemeral happiness which can be enjoyed only after death.

They treat our history as fables and fictions. Haven't we the same right concerning that which they teach us as incontestable truths? They abuse our simplicity and good faith. All their skill is directed towards tricking us; all their knowledge tends only to make us unhappy. If we are ignorant and blind, as they would have us believe, it is because we have learned their evil plans too late and have allowed them to settle here. Let us not lose courage in the presence of our misfortune. They are only a handful. We can easily defeat them. Even though we don't have their deadly weapons which spread destruction all over, we can overcome them by our number. We are stronger than we think and we can quickly free ourselves from these foreigners and regain our former freedom.

I take the opportunity to bring this historical background to the House in order to provide the basis of understanding for legislation I recently introduced, H.R. 308, An Act to Establish the Guam War Claims Review Commission, and a House Concurrent Resolution, A Resolution to Reaffirm the Commitment of the United States to help Guam achieve full Self-Governance, I will soon introduce.

After more than four centuries of colonial rule, Spanish, Japanese, and American, the people of Guam are entering a new world of self-discovery. Discovery by others is not nearly as important as discovery of one's self, definition by others is meaningless if you cannot initially define yourself, and determination of your future pales in significance to self-determination. Guam, in full partnership with the United States, and in strong desire to remain an integral part of the United States, is now undergoing a process of self-discovery, self-definition, and self-determination. This process will eventually wind its way through this body and call upon each and everyone of us, not only to treat with respect the experiences of the people of Guam, but to fully apply the best principles of democracy and fair play which makes America the great Nation that she is.

In the coming weeks, I will explain in greater detail H.R. 308, the Guam War Claims Review Commission and the Concurrent Resolution that reaffirms the United States Commitment to help Guam achieve full-self-governance. Both of these proposals seek justice for the people of Guam and true democracy and fair play as unique members of the American family.

In conclusion, I must believe that the people of Guam celebrate Discovery Day to recognize our rich culture and understand our unique history. This will enable us to understand how we are perceived and allow us to articulate our true history so that we, along with the United States, in this New World order era, can redefine and maintain our strong relationship, and allow Guam to a greater voice in how Guam is governed.