CONGRESSIONAL RECORD—SENATE  5239

benefits with respect to health insurance coverage unless comparable limitations are imposed on medical and surgical benefits.

S. 570

At the request of Mr. BIDEN, the names of the Senator from Washington (Mrs. MURRAY), the Senator from Massachusetts (Mr. KERRY), and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 570, a bill to establish a permanent Violence Against Women Office at the Department of Justice.

S. 627

At the request of Mr. GRASSLEY, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 627, a bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such plans, and flexible spending arrangements, and a credit for individuals with long-term care needs.

S. 630

At the request of Mr. BURNS, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 630, a bill to prohibit senders of unsolicited commercial electronic mail messages, to give consumers the choice to cease receiving a sender's unsolicited commercial electronic mail messages, and for other purposes.

S. 670

At the request of Mr. DASCHEL, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 670, a bill to amend the Clean Air Act to eliminate methyl tertiary butyl ether from the United States fuel supply and to increase production and use of ethanol, and for other purposes.

S. RES. 41

At the request of Mr. HATCH, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of S. Res. 41, a resolution designating April 4, 2001, as “National Murder Awareness Day”.

S. RES. 44

At the request of Mr. COCHRAN, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. Res. 44, a resolution designating each of March 2001, and March 2002, as “Arts Education Month”.

S. RES. 55

At the request of Mr. WELLSTONE, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of 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.

S. RES. 57

At the request of Mr. BOND, the names of the Senator from Kansas (Mr. ROBERTS), the Senator from Wisconsin (Mr. FEINGOLD), and the Senator from New Mexico (Mr. BINGAMAN) were added as cosponsors of S. Res. 57, a resolution to express the sense of the Senate that the Federal investment in programs that provide health care services to uninsured and low-income individuals in medically underserved areas be increased to protect accessible access to care over the next 5 years.

S. RES. 63

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

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. FEINSTEIN.

S. 672. A bill to amend the Immigration and Nationality Act to provide for the continued immigration status in certain cases of aliens as children for purposes of that Act in cases where the aliens “age-out” while awaiting immigration processing, and for other purposes, to the Committee on the Judiciary.

Mrs. FEINSTEIN. Mr. President, today I am pleased to introduce the Child Status Protection Act of 2001. This legislation would protect children who are in danger of losing their eligibility for an immigration visa because of the inability of the Immigration and Naturalization Service INS to process their petitions or applications in a timely fashion.

Children caught in the INS backlogs often face the problem of “aging out” as a result of lost eligibility for visas when the child reached his 21st birthday. One case recently brought to my attention was that of a couple who were lawful permanent residents. In 1993, they filed family-based petitions for their three children. Although the INS approved the petitions, as of March 2000, none of the children had become permanent residents. When they turned 21, the two oldest children were switched into another visa category because they no longer qualify as “minor children.” Now, they are in another backlog in which they have to wait another eight years to get a green card.

The legislation I have introduced today would provide a child, whose timely filed application for a family-based, employment-based, or diversity visa was submitted before the child reached his or her 21st birthday, the opportunity to remain eligible for that visa until the visa becomes available. The legislation also would protect the child of an asylum seeker whose application was submitted prior to the child’s 21st birthday.

In recent years, the INS has faced a dramatic increase in the number of immigration benefit petitions and applications filed. This combined with the agency’s slow service, and antiquated filing systems, has caused millions of our constituents to endure long waits of three to five years before getting their cases adjudicated.

The INS backlogs have carried a heavy price: children who are the beneficiaries of petitions and applications are “aging out” of eligibility for their visas, even though they were fully eligible at the time their applications were filed. This has occurred because some immigration benefits are only available to the “child” of a United States citizen or lawful permanent resident, and the Immigration and Nationality Act defines a “child” as an unmarried person under the age of 21.

As a consequence, a family whose child’s application for immigration benefit petitions and applications was approved by the INS, the United States has been pending for years may be forced to leave that child behind either because the INS was unable to adjudicate the application before the child’s 21st birthday, or because the cause of growing immigration backlogs in the immigration visa category caused the visa to be unavailable before the child reached his 21st birthday. As a result, the child loses the right to admission to the United States. This is what is commonly known as “aging out.”

Situations like these leave both the family and the child in a difficult dilemma. Under current law, lawful permanent residents who are outside of the United States face a difficult choice when their child “ages-out” of eligibility for a first preference visa. Emigrating parents must decide to either come to the United States and leave their child behind, or remain in their country of origin and lose out on their American dream in the United States. In the end, the country stand to lose when we are deprived of their cultural gifts, talents and many contributions.

For lawful permanent residents who already live in the United States, their dilemma is different. They must make the difficult choice of either sending their child who has “aged-out” of visa eligibility back to their country of origin, or have the child stay in the United States out-of-status, in violation of immigration laws, and thus, stand to lose when we are deprived of their cultural gifts, talents and many contributions.

One compelling example is that of 17-year-old Juan, a youngster born in Guatemala, who applied for adjustment of status under the Nicaraguan and Central American Relief Act in 1999. He is a junior in high school with a 4.0 grade point average. His mother came to the United States in 1986, fleeing life-threatening conditions in Guatemala. Juan was just six years old at the time, joined her four years later.

Today, Juan has yet to have an interview with the INS. Given the expected three- to five-year wait for the INS to
adjudicate adjustment of status applications, this high achieving student may not only miss out on his dream of becoming an engineer, his home state of California stands to lose out on the contributions he undoubtedly will make.

The aging out problem also extends to those who have fled persecution and are granted asylum in the U.S. Current law permits persons granted asylum to have their child join them in the United States. However, if the child ages out while the parent’s application for asylum is being adjudicated, the child is no longer automatically entitled to remain with his parent.

As Members of Congress we, too, have been confronted with this issue. Because the Attorney General does not have the discretion to protect the status of these children, we often are called upon to introduce private bills to grant them the status they deserve. Unfortunately, these bills are limited in number and not all deserving children always receive the private bills introduced on their behalf.

The Child Status Protection Act of 2001 would correct these inequities and help protect a number of children who, through no fault of their own, face the consequences of being separated from their immediate family. It is a modest but urgently needed reform of our immigration laws, and I urge my colleagues to support this legislation. I ask unanimous consent that the text of the Child Status Protection Act of 2001 be printed in the RECORD.

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

S. 672

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 “Child Status Protection Act.”

SEC. 2. CHILD STATUS PROTECTION.

(a) IMMEDIATE RELATIVES.—Section 201(b)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1151(b)(2)(A)) is amended by adding at the end the following:

“(v) An unmarried alien who was in a marriage on the date of the application for classification under section 204 to classify the alien as an immigrant under section 203(a)(3) shall be classified as a child of a citizen of the United States for purposes of clause (i), and the petition shall be considered a petition for classification under the clause, if—

“(I) the alien’s marriage was legally terminated with the petitioner, the petition is pending before the Attorney General; and

“(II) the alien was under 21 years of age on the date of legal termination of the marriage.”.

(b) FAMILY-SPONSORED, EMPLOYMENT-BASED, AND DIVERSITY IMMIGRANTS.—Section 203(a) of the Immigration and Nationality Act (8 U.S.C. 1153(a)) is amended to read as follows:

“(d) TREATMENT OF FAMILY MEMBERS.—

“(1) IN GENERAL.—A spouse or child (as defined in subparagraph (A), (B), (C), (D), or (E) of section 101(b)(1)) shall, if otherwise entitled to immigrant status and the immigrant visa under subsection (a) (B), (C), (D), or (E), be entitled to the same status, and the same order of consideration provided in the respective subsection, if accompanying or following to join the spouse or parent.

“(2) CONTINUED CLASSIFICATION OF CERTAIN ALIENS AS CHILDREN.—An unmarried alien 21 years of age or older on whose behalf a petition was filed under section 204 to classify the alien as an immigrant under subsection (a), (B), or (C), who is accompanying or following to join the spouse or parent, shall be classified as a child for purposes of entitlement to the same immigrant status, and the petition shall be considered a petition for classification for such purposes, if the alien attained 21 years of age after the date on which the petition was filed but while the petition is pending before the Attorney General.”.

(c) ASYLUM.—Section 208(b)(3) of the Immigration and Nationality Act (8 U.S.C. 1158(b)(3)) is amended—

“(1) by striking “A spouse” and inserting “(A) IN GENERAL.—A spouse”; and

“(2) by adding at the end the following:

“(b) CONTINUED CLASSIFICATION OF CERTAIN ALIEN AS CHILDREN FOR ASYLUM ELIGIBILITY.—

“An unmarried alien who is accompanying or seeking to join a parent granted asylum in the United States may be classified as a child of a parent under section 204 to classify the alien as an immigrant under subsection (a), (B), or (C), who is accompanying or following to join the parent, if the alien was under 21 years of age on the date on which the alien’s parent applied for asylum under section 208 of this Act and the petition is pending before the Attorney General.”.

SEC. 3. EFFECTIVE DATE.

Section 2, and the amendments made by section 3 shall apply to petitions filed on or after such date.

By Mr. HAGEL (for himself, Mr. BIDEN, and Mr. LUGAR):

S. 673. A bill to establish within the executive branch of the Government an interagency committee to review and coordinate United States nonproliferation efforts in the independent states of the former Soviet Union, to the Committee on Government Affairs.

Mr. HAGEL. Mr. President, today I am introducing a bill to address the coordination of spending, both public and private, on U.S. non-proliferation efforts in Russia. I am pleased to be joined in introducing this bill by my colleagues Senators BIDEN and LUGAR.

In 1991, the world faced the very real specter of nuclear chaos erupting from the disintegration of the Soviet Union. Largely through the foresight and leadership of Senators Nunn and Lugar, Congress established a fledgling program that year authorizing the use of Defense Department funds to assist with the safe and secure transportation, storage, and dismantlement of nuclear, chemical and other weapons in the former Soviet Union. The world is a much safer place because of these efforts. I commend my friend and co-sponsor, Senator LUGAR, for the important contribution he has made to national security this year.

In the past ten years the Nunn-Lugar initiative has grown into a multi-pronged attack by the Departments of Defense, State and Energy to ensure that weapons of mass destruction, weapons delivery vehicles, chemical and biological weapons, nuclear, chemical, and other weapons-related knowledge in Russia and the Newly Independent States remain beyond the reach of terrorist and weapons proliferating states. This investment has yielded an impressive return. Over the past decade, important gains have been made in securing weapons, technology and knowledge in Russia and the Newly Independent States.

With the United States and Russia working together, it is now possible for us to make a much safer place because of these efforts.

U.S. public spending on non-proliferation programs in the Russian Federation suffers from a lack of coordination within and among United States Government agencies and departments. As recently as last January, a bipartisan task force led by former Senator Howard Baker and former White House Counsel Lloyd Cutler released a report calling for improved coordination within the U.S. government on non-proliferation efforts. The importance of these programs to the national security of this nation demands that we address this issue.

Ensuring the efficiency of our public spending also requires that we take into account the increased spending and investment by the United States private sector on non-proliferation efforts in Russia. This private spending, still small but registering positive results, will continue to increase. We must ensure that public spending on Russian non-proliferation programs is not in conflict with this important contribution from the U.S. private sector.
The Non-Proliferation Assistance Co-
ordination Act of 2001 calls on the Presi-
dent to designate an interagency com-
mittee that will monitor and coordi-
nate the implementation of United States
non-proliferation efforts in Russia.
Under the direction of the Presi-
dent's National Security Assistant,
representatives from the Departments
of State, Defense, Energy and Com-
merce would provide guidance on co-
ordinating, de-conflicting and maxi-
mizing the utility of United States
public spending on our important non-
proliferation efforts in Russia. I believe
U.S. non-proliferation efforts in Rus-
sia, first initiated a decade ago under
the leadership of Senators LUCHAR
and Nunn, have made lasting contributions
to the national security of the United
States. This bill will ensure that future
non-proliferation assistance to Russia
is well spent.

Mr. President, I ask unanimous con-
sent that the full 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. 673
Be it enacted by the Senate and House of Represen-
tatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.
This Act may be cited as the “Non-
proliferation Assistance Coordination
Act of 2001”.

SEC. 2. FINDINGS.
Congress finds that—
(1) United States non-proliferation efforts in the independent states of the former So-
viet Union have achieved important results in
ensuring that weapons of mass destruc-
tion, weapons-usable material and tech-
nology, and weapons-related knowledge re-
main high barriers to terrorists and
weapons-proliferating states;
(2) although these efforts are in the United
States national security interest, the effec-
tiveness of these efforts suffers from a lack of
coordination within and among United States
Government agencies;
(3) increased spending and investment by the United States private sector on non-
proliferation efforts in the independent states of the former Soviet Union, specifi-
cally, spending and investment by the United States private sector in job creation
initiatives and proposals for unemployed Russian weapons scientists and technicians,
is making an important contribution in en-
suring that knowledge related to weapons of
mass destruction remains beyond the reach
of terrorists and weapons-proliferating states;
and
(4) increased spending and investment by the United States private sector on non-
proliferation efforts in the independent states of the former Soviet Union requires the
establishment of a coordinating body to en-
sure that United States public and private
efforts are not in conflict, and to ensure that
public spending on efforts by the inde-
pendent states of the former Soviet Union is
maximized to ensure efficiency and further
United States national security interests.

SEC. 3. INDEPENDENT STATES OF THE FORMER SOVIET UNION.
In this Act, the term “independent states
of the former Soviet Union” has the meaning
given the term in section 3 of the FREEDOM
Support Act.

SEC. 4. ESTABLISHMENT OF COMMITTEE ON NON-PROLIFERATION ASSISTANCE TO THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.
(a) Establishment.—There is established
within the executive branch of the Govern-
ment an interagency committee known as the
“Committee on Nonproliferation Assist-
ance to the Independent States of the
Former Soviet Union” (in this Act referred
to as the “Committee”).
(1) Membership.—(A) The Committee shall be
composed of the following:
(A) A representative of the Department of
Defense designated by the Secretary of
Defense.
(B) A representative of the Department of
Energy designated by the Secretary of
Energy.
(C) A representative of the Department of
Commerce designated by the Secretary of
Commerce.
(D) A representative of the Assistant to the
President for National Security Affairs des-
ignated by the Assistant to the President.
(E) A representative of the Secretary of
State in the executive branch of the United
States Government agencies.

(b) Level of Representation.—The Sec-
tary of a department named in subpara-
graph (A), (B), (C), or (D) of paragraph (1)
shall designate as the department’s rep-
resentative an official of that department
who is not below the level of an Assistant
Secretary of the department.

SEC. 5. DUTIES OF COMMITTEE.
(a) In General.—The Committee shall have
primary continuing responsibility within
the executive branch of the Government for—
(1) monitoring United States nonprolifera-
tion efforts in the independent states of the
former Soviet Union;
(2) coordinating the implementation of
United States policy with respect to such
efforts.
(b) Duties Specified.—In carrying out the
responsibilities described in subsection (a),
the Committee shall—
(1) arrange for the preparation of analyses
on the issues and problems relating to co-
ordination within and among United States
departments and agencies on nonprolifera-
tion efforts of the independent states of
the former Soviet Union;
and
(2) arrange for the preparation of analyses
on the issues and problems relating to co-
ordination between the United States public
and private sectors on nonproliferation ef-
forts in the independent states of the
former Soviet Union, including coordination
between public and private spending on non-
proliferation programs of the independent
states of the former Soviet Union and coordi-
nation between public spending and private
investment in defense conversion activities
of the independent states of the former So-
viet Union;

(3) provide guidance on arrangements that
will coordinate, de-conflict, and maximize
the utility of United States public spending on
nonproliferation programs of the inde-
pendent states of the former Soviet Union to
ensure efficiency and further United States
national security interests;
(4) encourage companies and nongovern-
mental organizations involved in non-
proliferation efforts of the independent
states of the former Soviet Union to volun-
tarily report these efforts to the Committee;
(5)(A) arrange for the preparation of anal-
yses on the issues and problems relating to
the coordination between the United States
and other countries with respect to non-
proliferation efforts in the independent
states of the former Soviet Union; and
(B) provide guidance and arrangements
that will coordinate, de-conflict, and maxi-
mize the utility of United States public
spending on nonproliferation programs of the
independent states of the former Soviet Union
to ensure efficiency and further
United States national security interests;
and
(6) consider, and make recommendations
to the President and Congress with respect to,
proposals for new legislation or regula-
tions relating to United States nonprolifera-
tion efforts in the independent states of the
former Soviet Union as may be necessary.

SEC. 6. ADMINISTRATIVE STAFF.
All United States departments and agen-
cies shall provide, to the extent permitted by
law, such information and assistance as may be
requested by the Committee or the Sec-
tary of State in carrying out their func-
tions and activities under this Act.

SEC. 7. CONFIDENTIALITY OF INFORMATION.
Information which has been submitted or
received in confidence shall not be publicly
disclosed, except to the extent required by
law, and such information shall be used by
the Committee only for the purpose of car-
rying out its functions and activities set
forth in this Act.

SEC. 8. STATUTORY CONSTRUCTION.
Nothing in this Act—
(1) applies to the data-gathering, regu-
larly, or enforcement authority of any ex-
isting United States department or agency
over nonproliferation efforts in the inde-
pendent states of the former Soviet Union,
and the review of those efforts undertaken
by the Committee shall not in any way su-
perse or prejudice any other process pro-
vided by law; or
(2) applies to any activity that is report-
able pursuant to subtitle V of the National
Security Act of 1947 (50 U.S.C. 413 et seq.).

By Ms. COLLINS (for herself and
Ms. LANDRIEU):
S. 674. A bill to amend the Internal
Revenue Code of 1986 to provide new
tax incentives to make health insur-
ance more affordable for small busi-
nesses, and for other purposes; to
the Committee on Finance.

By COLLINS, Mr. President, I am
pleased to join with my colleague from
Louisiana, Senator LANDRIEU, in intro-
ducing bipartisan legislation, the Ac-
cess to Affordable Health Care Act,
that is designed to make health insur-
ance more affordable for individ-
uals and for small businesses that pro-
vide health care coverage for their
employees.

In the past few years, Congress has
taken some major steps to expand ac-
cess to affordable health insurance for
all Americans. One of the first bills I
sponsored on coming to the Senate was
legislation to establish the State Chil-
dren’s Health Insurance Program,
which was enacted as part of the Balanced Budget Act. States have enthusiastically responded to this program, which now provides affordable health insurance coverage to over two million children nationwide, including nearly 10,000 in Maine’s expanded Medicaid and CubCare programs.

Thanks to our efforts, coupled with an increase in employer coverage fueled by our strong economy, we are making some progress. For the first time in twelve years, the number of Americans without health insurance actually dropped from about 17 million to 14.6 million. While this is good news, it by no means minimizes the problem. There are still far too many Americans without health insurance. Clearly, we must make health insurance more available and affordable.

Since most Americans get their health insurance through the workplace, it is a common assumption that people without health insurance are unemployed. The fact is, however, that most uninsured Americans are owners of families with at least one full-time worker: 85 percent of the Americans who do not have health insurance are in a family with a worker.

Uninsured, working Americans are most often employees of small businesses, the backbone of the economy in Maine. Some 60 percent of uninsured workers are employed by small firms. If we want to reduce the number of uninsured workers, we need to consider how we can help more small businesses afford health insurance for their employees.

According to a recent National Federation of Independent Businesses survey, the cost of health insurance is the number one problem facing small businesses. And it has been since 1986. It is time for us to listen and to lend a hand to these small businesses.

Small employers generally face higher costs for health insurance than larger firms, which makes them less likely to offer coverage. Premiums are generally higher for small businesses because they do not have as much purchasing power as large companies, which limits their ability to bargain for lower rates. They also have higher administrative costs because they have fewer employees among whom to spread the fixed costs of a health benefits plan. Moreover, they are not as able to spread risks of medical claims over as many employees as can large firms.

As a consequence, only 42 percent of small businesses with fewer than 100 employees offer health insurance to their employees. By way of contrast, more than 95 percent of businesses with 100 or more employees offer insurance.

Moreover, the smaller the business, the less likely it is to offer health insurance to its employees. Small businesses want to provide health insurance for their employees, but the cost is often just too high.

Simply put, the biggest obstacle to health care coverage in the United States today is cost. While American small business is not multinational corporations to the small corner store, are facing huge hikes in their health insurance costs, these rising costs are particularly problematic for small businesses and their employees. Many small employers are facing premium increases of 15 to 30 percent or more. This can cause them either to drop their health benefits or to pass the additional costs on to their employees through increased deductibles, higher copays or premium hikes. This, too, is troubling and will likely add to the ranks of the uninsured since it will cause some employees, particularly lower-wage workers who are disproportionately affected by increased costs, to drop or turn down coverage when it is offered to them.

According to another survey of small businesses, two-thirds of small business owners said that they would seriously consider offering health benefits if they were provided with some assistance with premiums. Almost one-half would consider doing so if their costs fell 10 percent.

To respond to these findings, we are introducing the Access to Affordable Health Care Act, which will help small employers cope with these rising costs.

Our bill will provide new tax credits for small businesses to help make health insurance more affordable. It will encourage those small businesses that do not currently offer health insurance to do so and will help businesses that currently do offer insurance to continue coverage even in the face of rising costs.

Under our proposal, employers with fewer than ten employees will receive a tax credit of up to 50 percent of the employer contribution to the cost of employee health insurance. Employers with ten to 25 employees will receive a 30 percent credit. Under the bill, the credit would be based on an employer’s yearly qualified health insurance expenses of up to $2,000 for individual coverage and $4,000 for family coverage.

The legislation we are introducing will also make health insurance more affordable for individuals and families who must purchase health insurance on their own. The Access to Affordable Health Care Act will provide an above-the-line tax deduction for individuals who pay at least 50 percent of the cost of their own health and long-term care insurance. Regardless of whether an individual takes the standard deduction or itemizes, he or she will be provided relief by the new above-the-line deduction.

The bill will also allow self-employed Americans to deduct the full amount of their health care premiums. Some 25 million Americans are in families headed by a self-employed individual, of these, five million are uninsured. Establishing parity in the tax treatment of health insurance costs between the self-employed and those working for large businesses is not just a matter of equity. It will also help to reduce the number of uninsured, but working Americans. Our bill will make health insurance more affordable for the 82,000 people in Maine who are self-employed. They include our lobstermen, our hairdressers, our electricians, our plumbers, and the many owners of mom-and-pop stores that dot communities throughout the state.

The Access to Affordable Health Care Act, which has been endorsed by the National Federation of Independent Business, will help small businesses afford health insurance for their employees, and it will also make coverage more affordable for working Americans who must purchase it on their own. I urge my colleagues to join us as cosponsors of this important legislation.

By Mr. ENZI (for himself and Mr. THOMAS):

S. 675. A bill to ensure the orderly development of coal, coalbed methane, natural gas, and oil in “common areas” of the Powder River Basin, Wyoming and Montana, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. ENZI. Mr. President, I rise today to introduce the “Powder River Basin Resource Development Act of 2001.” This legislation will provide a procedure for the orderly and timely resolution of disputes between coal producers and oil and gas operators in the Powder River Basin in north-central Wyoming and southern Montana. This legislation is cosponsored by my colleague from Wyoming, Senator THOMAS.

The Powder River Basin in Wyoming and southern Montana is one of the richest energy resource regions in the world. This area contains the largest coal reserves in the United States, providing nearly thirty percent of America’s total coal production. This region also contains rich reserves of oil and gas, including coalbed methane. Wyoming is the fifth largest producer of natural gas in the county and the sixth largest producer of crude oil. The Powder River Basin plays an ever-increasing role in the development of coalbed methane as Wyoming continues to help meet the growing needs for natural gas in the Rocky Mountain region and the country as a whole. The Powder River Basin and the State of Wyoming as a whole provide many of the resources that heat our homes, fuel our cars, generate electricity for our computers, microwave, and televisions. In short, there is very little that any one of us does in a day that is not affected by the resources of coal, oil, and natural gas.

The production of these natural resources represents a vital part of the
economy of my home state of Wyoming. The coal and oil and gas industries employ more than 21,000 people in Wyoming, provide education for our students, build our roads, and provide our citizens with many of their social services through property taxes, severance taxes, and mineral royalties collected from the development of these energy resources. Since Wyoming has no state income tax, our State relies very heavily on revenues from the minerals extraction industries for our tax base.

Given the great importance both the coal and oil and gas industries have to Wyoming’s economy, the State of Wyoming and the federal government have tried to encourage concurrent development in areas where it is feasible and safe to do so. Unfortunately, this is not always possible. This legislation provides a procedure for the fair and expeditious resolution of conflicts between oil and gas producers and coal producers who have conflicting mineral interests on land in the Powder River Basin in Wyoming and southern Montana.

This legislation establishes a specific procedure to resolve conflicts between coal producers and oil and gas producers when their mineral development rights come into conflict because of overlapping leases. First, this proposal requires that once a potential conflict is identified, the affected parties must attempt to negotiate an agreement between themselves, either of the parties may file a petition for relief in U.S. district court in the district in which the conflict is located. Third, after receiving a petition, the court would determine whether an actual conflict exists. Fourth, if the court determines that a conflict does in fact exist, the court would determine whether the public interest, as determined by the greater economic benefit of each mineral, is best served by suspension of the federal coal lease or suspension or termination of all or part of the oil and gas lease. Fifth, a panel of three experts would be assembled to determine the value of the mineral of lesser economic value. Each of the parties in conflict would appoint one of the three experts. The third expert would be chosen jointly from the two parties. Finally, after the panel issues its final valuation report, the court would enter an order setting the compensation that is due the developer who had to temporarily or permanently forgo his development rights. This compensation would be paid by the owner of the mineral of greater economic value. A credit against federal royalties would also be available for this compensation price for limited number of situations where neither the existence of the conflict nor compensation to the conflicting mineral owner was foreseen in the original federal lease bid.

The “Powder River Basin Resource Development Act of 2001” has several benefits over the present system. First, it requires parties whose mineral interests come into conflict to attempt to negotiate an agreement among themselves before either one of them avails itself of a court or administrative resolution mechanism. No such requirement exists today. Second, it directs the Secretary of the Interior to encourage expeditious development of federal minerals that (1) are leased pursuant to the federal Mineral Leasing Act; (2) exist in conflict areas; and (3) which may otherwise be lost or bypassed. As such, this legislation encourages full and expeditious development of federally leased resources in this narrow conflict area where it is economically feasible, and safe to do so. Third and finally, this bill provides a fair and expeditious procedure to resolve conflicts which cannot be resolved between the two parties themselves and it does so by ensuring that any mineral owner will be fully compensated for any suspension or loss of his mineral rights. In turn, this proposal will prevent the serious economic hardship to thousands of families and the State treasury that could occur if mineral development is stalled for an indefinite amount of time due to protracted litigation under the current system.

This legislation is the result of over two years of work and represents the input of all the stakeholders: coalbed methane producers, deep oil and gas developers, the coal industry, landowners, the State of Wyoming, and the Department of the Interior. It is nearly identical to legislation that was favorably reported out of the Senate Energy and Natural Resources Committee last summer by a voice vote. By providing a fair, expeditious, cost-effective and certain method to resolve conflicts between mineral producers in one of the most bountiful energy regions in the world, the “Powder River Basin Resource Development Act of 2001” represents an important chapter in the continuing effort to develop a comprehensive national energy policy for the 21st century.

By Mr. HATCH (for himself, Mr. BAUCUS, Mr. ENSIGN, Mr. MURKOWSKI, Mr. TORRICELLI, Mr. SCHUMER, and Mr. BREAUX): S. 676. A bill to amend the Internal Revenue Code of 1986 to extend permanently the Subpart F exemption for active financing income to the Committee on Finance.

Mr. HATCH. Mr. President, I rise today on behalf of myself and Senators BAUCUS, ENSIGN, TORRICELLI, SCHUMER, and BREAUX to introduce this legislation to permanently extend the exclusion from Subpart F for active financing income earned on business operations overseas. This legislation permits American financial services firms doing business abroad to continue to defer U.S. tax on their earnings from their foreign operations until such earnings are returned to the U.S. parent company.

The permanent extension of this provision is particularly important in today’s global marketplace. Over the last few years the financial services industry has seen technological and global changes that have altered the nature of the way these corporations do business, both here and abroad. The U.S. financial industry is a worldwide leader and plays a pivotal role in maintaining confidence in the international marketplace. It is essential that our tax laws adapt to the fast-paced and ever-changing business environment of today.

Let me outline exactly why this bill is needed. Regulated U.S. financial institutions with operations overseas need to retain earnings in foreign subsidiaries in order to meet ever-expanding capital requirements. Unfortunately, if the tax provision in this bill seeks to permanently extend is allowed to expire at the end of this year, as is scheduled under the current law, those earnings will be subject to current U.S. taxation. Obviously, current taxation makes it more costly for a growing overseas business to meet those capital requirements, an impediment that is not in place for most foreign-based competitors.

Congress recognized this fact as long ago as the early 1960’s, when the Kennedy Administration proposed the imposition of current taxation for all overseas income of U.S.-based corporations. Counsel for the Joint Committee on Taxation testified at that time that Congress could not constitutionally tax shareholders on the unremitted earnings of foreign subsidiaries except in cases where such tax was necessary to prevent the evasion or avoidance of tax. In cutting back the scope of the President’s proposal, the House Ways and Means Committee stated, in part, “to impose the U.S. tax currently on U.S. shareholders of American-owned businesses operating abroad would put such firms at a disadvantage with other firms located in the same areas not subject to U.S. tax.”

Forty years later, those words still ring true. The competition abroad for U.S. banks, for example, is no longer the Chases, Bankers Trusts, and Bank of Americas of the world. They are now Deutschebank, ABN Amro, HSBC, and Societe Generale. These foreign-based financial institutions are big players in the worldwide arena operating, usually, under home-country tax regimes that generally do not tax currently the active financial income earned outside their home countries.

The bill we are introducing today would provide a consistent, equitable, and stable international tax regime for businesses operating abroad.
this important component of our economy. A permanent extension of this provision would provide American companies with a sustained advantage.

Our current ‘on-again, off-again’ habit of annual extension limits the ability of U.S.-based firms to compete fully in the marketplace and interferes with their decision making and long-term planning. The activities that give rise to this income are long-range in nature, not easily or inexpensively stopped and started on a year-to-year basis. Permanency is the only thing that makes sense when it comes to this kind of tax policy.

This legislation will give U.S.-based financial services companies consistency and stability. The permanent extension of this exclusion from Subpart F provides tax rules that will ensure that the U.S. financial services industry is on an equal competitive footing with their foreign-based competitors and, just as importantly, provides tax treatment that is consistent with the tax treatment accorded most other U.S. companies.

The world has changed rapidly over the past few years. Like it or not, we live and compete in a global economy. In many respects, our Tax Code is out-of-date and represents the world as it was in the 1960s or 1970s, or in some cases, even before. If we close our eyes to these facts, we risk losing our worldwide leadership. The legislation we are introducing today will not solve all of our tax problems, nor even all of the tax problems of U.S. companies trying to compete internationally. It will, however, solve one very important problem. And this would be a start from which we can build.

I urge my colleagues to support this important bill and ask 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. 676

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

SECTION 1. PERMANENT SUBPART F EXEMPTION FOR ACTIVE FINANCING INCOME.

(a) BANKING, FINANCING, OR SIMILAR BUSINESSES.—Section 954(h) of the Internal Revenue Code of 1986 (relating to special rule for income derived in the active conduct of banking, financing, or similar businesses) is amended by striking paragraph (9).

(b) INSURANCE BUSINESSES.—Section 953(e) of the Internal Revenue Code of 1986 (defining active financing income) is amended by striking paragraph (10) and by redesignating paragraph (11) as paragraph (10).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of a foreign corporation beginning after December 31, 2001, and to taxable years of United States shareholders with or within which taxable years of such foreign corporation end.

Mr. BAUCUS. Mr. President, today I am pleased to join my colleague Senator HATCH in introducing legislation to permanently extend the exception from Subpart F for active financing income.

Current law contains a temporary provision, expiring at the end of this year, that makes sure that the active financial services income that a U.S. financial services company earns abroad is not subjected to U.S. tax until that income is distributed back to the U.S. parent company. Our legislation is intended to keep the U.S. financial services industry on an equal footing with foreign-based competitors and provide this protection permanent.

The growing interdependence of world financial markets has highlighted the need to rationalize U.S. tax rules that undermine the ability of American financial services industries to compete in the international arena. At the same time, it is important to ensure that the U.S. tax treatment of worldwide income does not encourage avoidance of U.S. tax through the sheltering of income in foreign tax havens. However, I believe it is important that the United States adequately protect the federal fisc without jeopardizing the international expansion and competitiveness of U.S.-based financial services companies, including finance and credit entities, commercial banks, securities firms, and insurance companies.

The active financing provision is particularly important today. The U.S. financial services industry is second to none among its competitors. The American financial services industry on an equal footing with foreign-based competitors will bring about important adjustments in two of the most important and popular federal affordable housing programs that have been enacted, Housing Bonds, or single family Mortgage Revenue Bonds, MRBs, as they are commonly known, and the Low Income Housing Tax Credit. Identical legislation was recently introduced in the House by Congressman Amo Houghton and Richard Neal.

These programs are popular because they are state-specific, federal tax incentives to encourage private investment in first-time homebuyer mortgages for low and moderate-income families and privately developed and owned apartments for low-income renters. The changes proposed by this legislation were endorsed by the National Governors Association at its recent meeting. The Governors know how important the Housing Bond and Housing Tax Credit programs are in efforts to meet the housing needs of low and moderate-income families. The bill is also supported by the National Council of State Housing Agencies.

Last year more than 80 members of this Body cosponsored legislation that was signed into law by President Clinton. That legislation adjusted for past inflation in the operating levels of the Housing Tax Credit and MRB programs. Specifically, the Act increased the per capita low-income housing tax credit cap as well as the State-volume limits on tax-exempt private activity bonds, under which the MRB program falls. However, even with these long overdue changes, many people who are qualified to receive housing assistance under these programs cannot get it. The reason is that a few obsolete provisions in the programs stand in the way. The legislation we are introducing today will modernize these programs and remove these barriers. Specifically, the bill includes three changes.

First, the bill would repeal the so-called Ten-Year Rule. This rule, which was enacted in 1988, prevents states from using mortgage payments received on the Multifamily Mortgage Revenue Bond issued to make new mortgage loans to additional qualified purchasers. A recent report by Merrill Lynch states, “The Ten-
Year Rule, to a large extent, offsets gains from the volume cap increase.” Between 1998 and 2002, this bill would result in the loss of over $8.5 billion in mortgage authority, denying over 100,000 qualified lower income homebuyers affordable MRB-mortgaged homes. Each year, the Ten-Year Rule will keep tens of thousands of additional qualified lower income homebuyers from getting an affordable MRB-mortgaged mortgage, including many in my home State of Utah.

Second, the bill would replace the current-law unworkable limit on the price of the homes these MRB mortgages can finance with a simple limit that works. Let me explain. Current law limits the price of homes purchased with MRB-mortgaged mortgages to 90 percent of the average area home price. This limits the option of determining their own purchase price limits or of relying on Treasury-published safe harbor limits. Most states rely on the Treasury limits because it is costly, burdensome, and often impossible to collect accurate and comprehensive sales price data.

The problem is that, like many states, the Treasury Department does not have access to reliable and comprehensive sales price data. This has especially been a problem for states, such as Utah, with many rural areas. In fact, Treasury last issued safe harbor limits in 1994, based on 1993 data. Home prices have risen approximately 30 percent in the past eight years, and in some areas of the country by a much higher percentage. This means that the MRB program simply cannot work in many parts of many states because qualified buyers cannot find homes priced below the outdated limits. To have an outdated and unworkable requirement that back the families that this program is designed to help is poor public policy that cries out for remedy.

The bill we are introducing today would allow States to determine purchase price limits without reliance on nonexistent sales price data. It does this by limiting the purchase price to three and a half times the MRB qualifying income limit. In the 106th Congress, I joined my friend and colleague from Arkansas, Senator Lincoln, in introducing this provision as a stand-alone bill.

Finally, the bill would make Housing Tax Credit apartment production more viable in many very low income, and especially rural, areas by allowing the use of the greater of area or statewide median incomes for determining qualifying income and rent levels. This is how income and rent levels are determined in the very successful multi-family aspect of this program. Current law requires States to use area median income to determine eligible incomes of Housing Tax Credit tenants. In many very low income areas, median incomes are simply too low to generate sufficient rents to make these housing projects feasible. Data from HUD show that current income limits inhibit Housing Tax Credit development in as many as 1,700 of the 2,364 non-metropolitan counties across the country.

The Housing Tax Credit and the MRB programs work and they are important to each State. The Congress recognizes this last year by making the important adjustments in the operating levels of these programs to compensate for past inflation. More than 80 senators joined us in this effort by cosponsoring the legislation. This was a vital first step in improving the ability of these programs to meet the affordable housing needs of millions of Americans. Now, we must finish the job by correcting the problems in the programs that limit their effectiveness in delivering affordable housing. For those of you that cosponsored these bills last year, and those of our colleagues who are new to the Senate, I am asking you to join this bipartisan effort of Senators from both rural and urban States to see that these important provisions are enacted 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. 677

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 “Housing Bond and Credit Modernization and Fairness Act of 2001.”

SEC. 2. REPEAL OF REQUIRED USE OF CERTAIN PRINCIPAL REPAYMENTS ON MORTGAGE SUBSIDY BOND FINANCINGS.

(a) IN GENERAL.—Subparagraph (A) of section 143(a)(2) of the Internal Revenue Code of 1986 (defining qualified mortgage issue) is amended by striking “, and” at the end of clause (ii), by inserting “and” at the end of clause (iii) and inserting a period, and by striking clause (iv) and the last sentence.

(b) CONFORMING AMENDMENT.—Clause (ii) of section 143(a)(2)(D) of such Code is amended by striking “and clause (iv) of subparagraph (A)”.

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

SEC. 3. MODIFICATION OF PURCHASE PRICE LIMITATION UNDER MORTGAGE SUBSIDY BOND RULES BASED ON MEDIAN FAMILY INCOME.

(a) IN GENERAL.—Paragraph (1) of section 143(e) of the Internal Revenue Code of 1986 (relating to purchase price requirements) is amended to read as follows:

“(1) IN GENERAL.—An issue meets the requirements of subsection only if the acquisition cost of the residence, the owner-financing of which is provided under this subsection, does not exceed the greater of—

(A) 90 percent of the average purchase price applicable to the residence, or

(B) 3.5 times the applicable median family income (as defined in subsection (f)).”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to financing provided with mortgage credit certificates issued, after the date of the enactment of this Act.

SEC. 4. DETERMINATION OF AREA MEDIAN GROSS INCOME FOR LOW-INCOME HOUSING CREDIT PROJECTS.

(a) IN GENERAL.—Paragraph (4) of section 42 of the Internal Revenue Code of 1986 (relating to certain rules made applicable) is amended by inserting ‘‘(A) the area median gross income determined under section 1242(d)(1)(B), or

(B) the statewide median gross income for the State in which the project is located.’’

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to—

(1) housing credit dollar amounts allocated after the date of the enactment of this Act, and

(2) buildings placed in service after such date that are an extent of the area median gross income for the State in which the project is located.

AMENDMENTS SUBMITTED AND PROPOSED

SA 170. Mr. DOMENICI proposed an amendment to the concurrent resolution H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2001, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

SA 171. Mr. DOMENICI (for Mr. MCCAIN) proposed an amendment to the bill S. 27, to amend the Federal Election Campaign Act of 1971 to provide bipartisan campaign reform.

TEXT OF AMENDMENTS

SA 170. Mr. DOMENICI proposed an amendment to the concurrent resolution H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011; as follows:

Strike all after the resolving clause and insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2002.

(a) DECLARATION.—Congress determines and hereby resolves that the concurrent resolution on the budget for fiscal year 2001 is revised and replaced and that this resolution is the concurrent resolution on the budget for fiscal year 2002 including the appropriate budgetary levels for fiscal years 2003 through 2011 as authorized by section 301 of the Congressional Budget Act of 1974 (2 U.S.C. 632).

(b) TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.

Sec. 102. Major functional categories.